



# VIRGINIA BUSINESS HIGHER EDUCATION COUNCIL

PRESENTATION TO THE BOARD OF GOVERNORS OF THE  
UNIVERSITY OF NORTH CAROLINA

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# EXECUTIVE SUMMARY OF PRESENTATION

- In Virginia, if business at the highest levels is mobilized to support change, chances of success are dramatically increased.
  - Influence is far beyond the numbers.
  - For higher education, business can be more aggressive advocate than college/universities and they have powerful argument of workforce needs.
- Virginia Business Higher Education Council (VBHEC) created in 1994, in response to significant cuts in higher education funding, to enhance funding and performance of Virginia's public colleges, universities, and community colleges.



# EXECUTIVE SUMMARY OF PRESENTATION

- Council on Virginia's Future (CVF) created in 2003, supported by all business organizations in state, to develop a vision and long-term goals for Virginia's future.
  - Historically, in Virginia, little political focus on long-term, on strategy, or on performance: Virginia performs.
  - CVF pushed performance based management, economic competitiveness and higher education as top state priorities.
  - CVF identified problem of not enough Virginians with 4-year degrees, especially in 25-34 age group.
- In 2008, VBHEC took issue, further analyzed it, showed ROI of incremental investment, and developed Grow By Degrees initiative.
  - Ultimately led to higher education becoming a top priority again for the state, new investment in higher education, and new higher education legislation.
  - At risk with each new Governor.
  - New model for higher education must evolve.
- Rather than a unitary system, Virginia has a coordinating board, the State Council of Higher Education and a Council of Presidents.



## ABOUT THE VIRGINIA BUSINESS HIGHER EDUCATION COUNCIL (VBHEC)

Founded in 1994 by Virginia business leaders on the principle that the prosperity of Virginia and the well-being of its citizens is fundamentally tied to access to a strong system of public colleges and universities.

Nonprofit, nonpartisan partnership between Virginia's business community (80 business leaders) and higher education leadership (18 college and university chancellors and presidents).

Mission is to enhance the performance of Virginia's public colleges, universities, and community colleges and their funding by state government so they can produce the greatest possible positive impact on Virginia's economy.

Committed to educating the public about higher education's crucial role in Virginia's economy – strive to secure the public support needed for the Commonwealth's colleges, universities, and community colleges to rank among the nation's best.



## ABOUT THE COUNCIL ON VIRGINIA'S FUTURE (CVF)

The Council on Virginia's Future was established in 2003 to develop a vision and long-term goals for Virginia's future. It was also tasked with developing a performance leadership and accountability system for state government that aligns with and supports achievement of the vision.

### **Purpose**

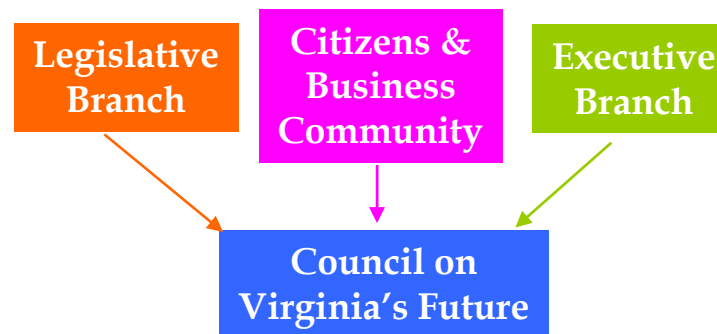
- Provide a long-term focus on high-priority issues
- Create an environment for improved policy and budget decision-making
- Increase government accountability and transparency
- Improve government performance
- Engage citizens in dialogue about Virginia's future



# ABOUT THE COUNCIL ON VIRGINIA'S FUTURE (CVF)

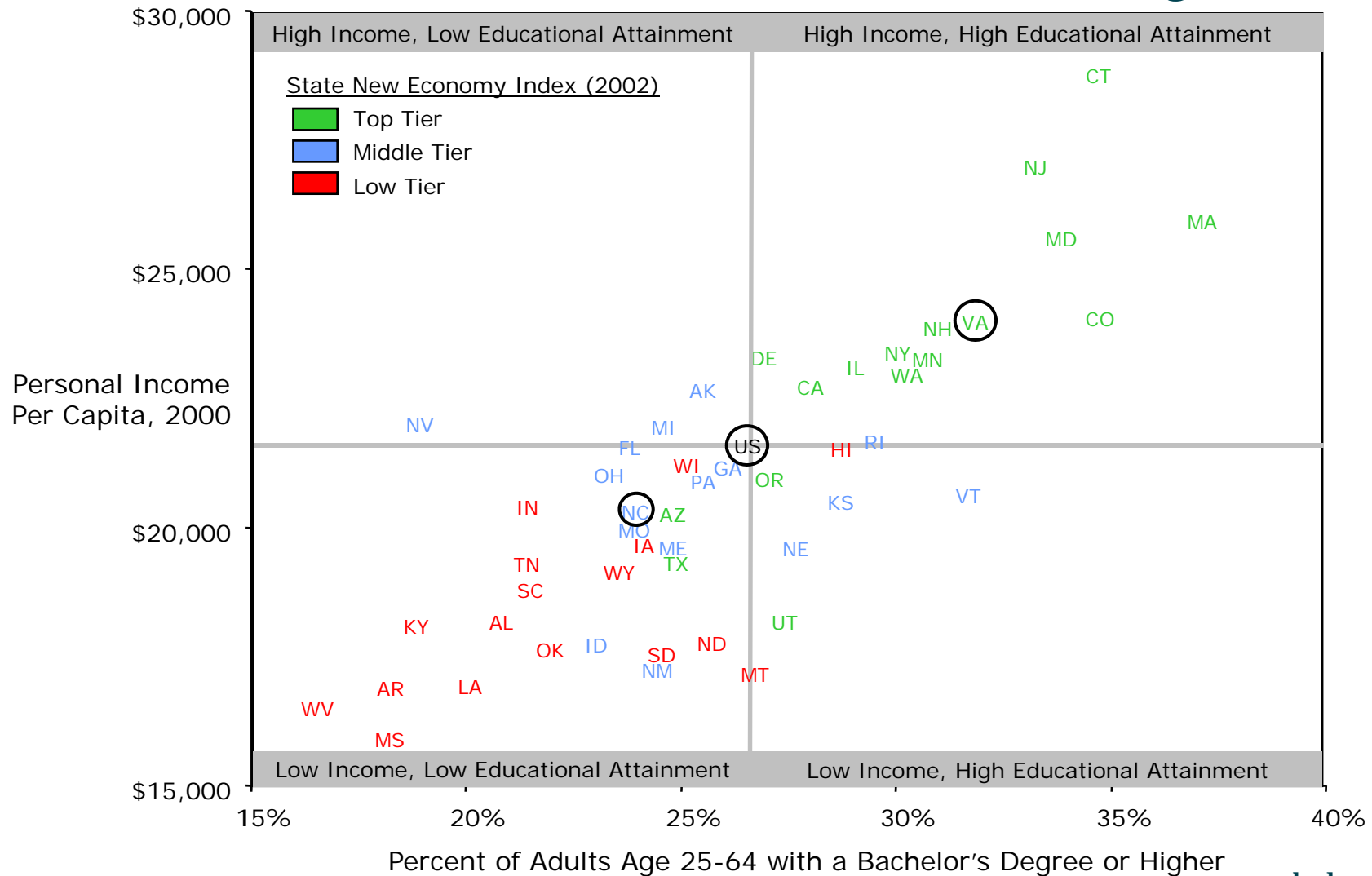
## Role

The Council is an advisory board to the Governor and the General Assembly that supports the development and implementation of a Roadmap for Virginia's future. Implementation is the responsibility of elected and appointed officials, regional and community leaders, and the people of Virginia. The Council plays a leadership role for positive change by providing a forum where legislative, executive branch, and citizen leaders can come together for work that transcends election cycles, partisanship, limited organization boundaries, and short-term thinking. The Council regularly review progress on implementation of the Roadmap process and updates the Roadmap as needed.



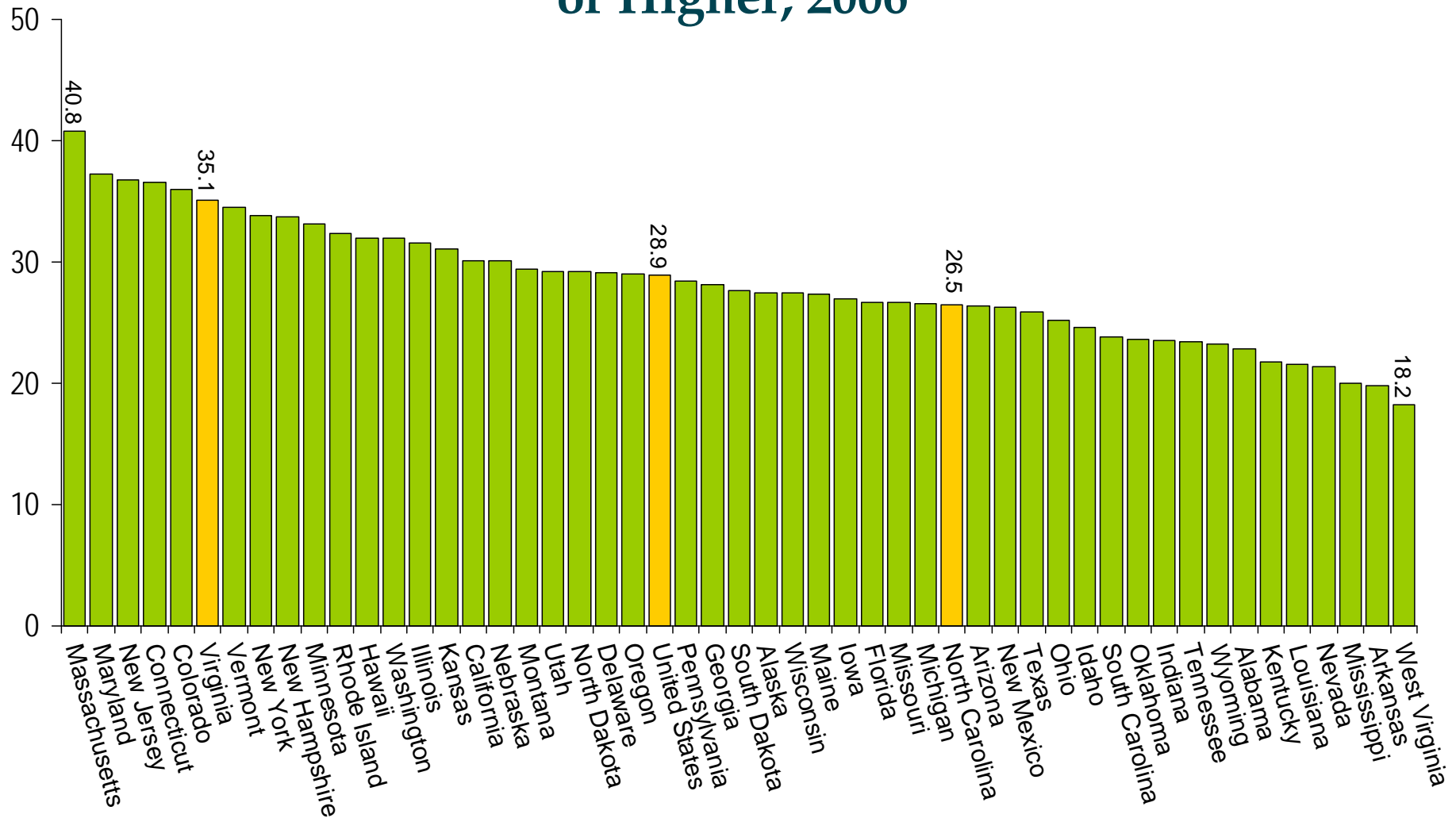


# Relationship Between Educational Attainment, Personal Income, and Economic Strength





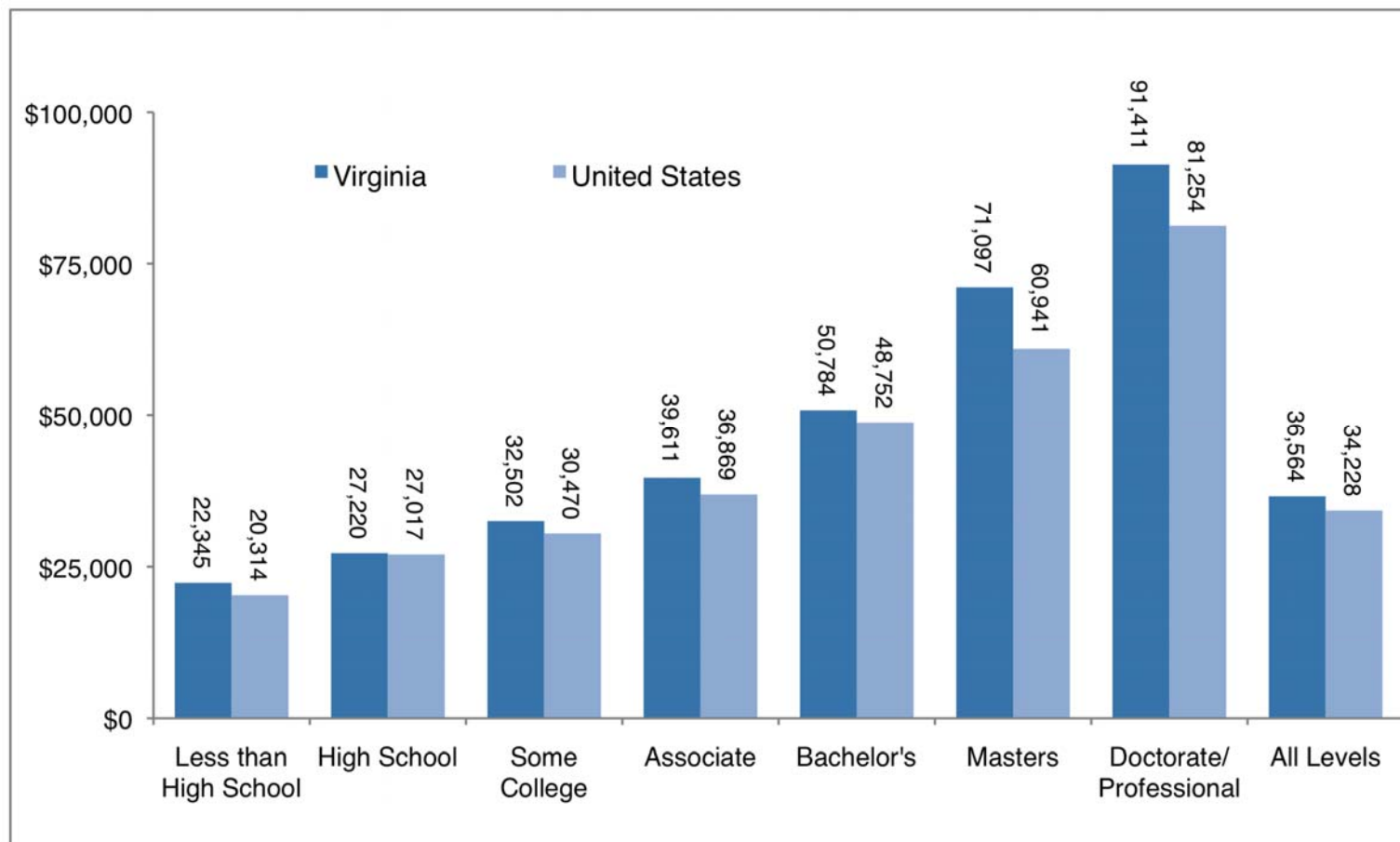
# Percent of Population Age 25-64 with a Bachelor's Degree or Higher, 2006







# Median Earnings by Degree Level, 2006

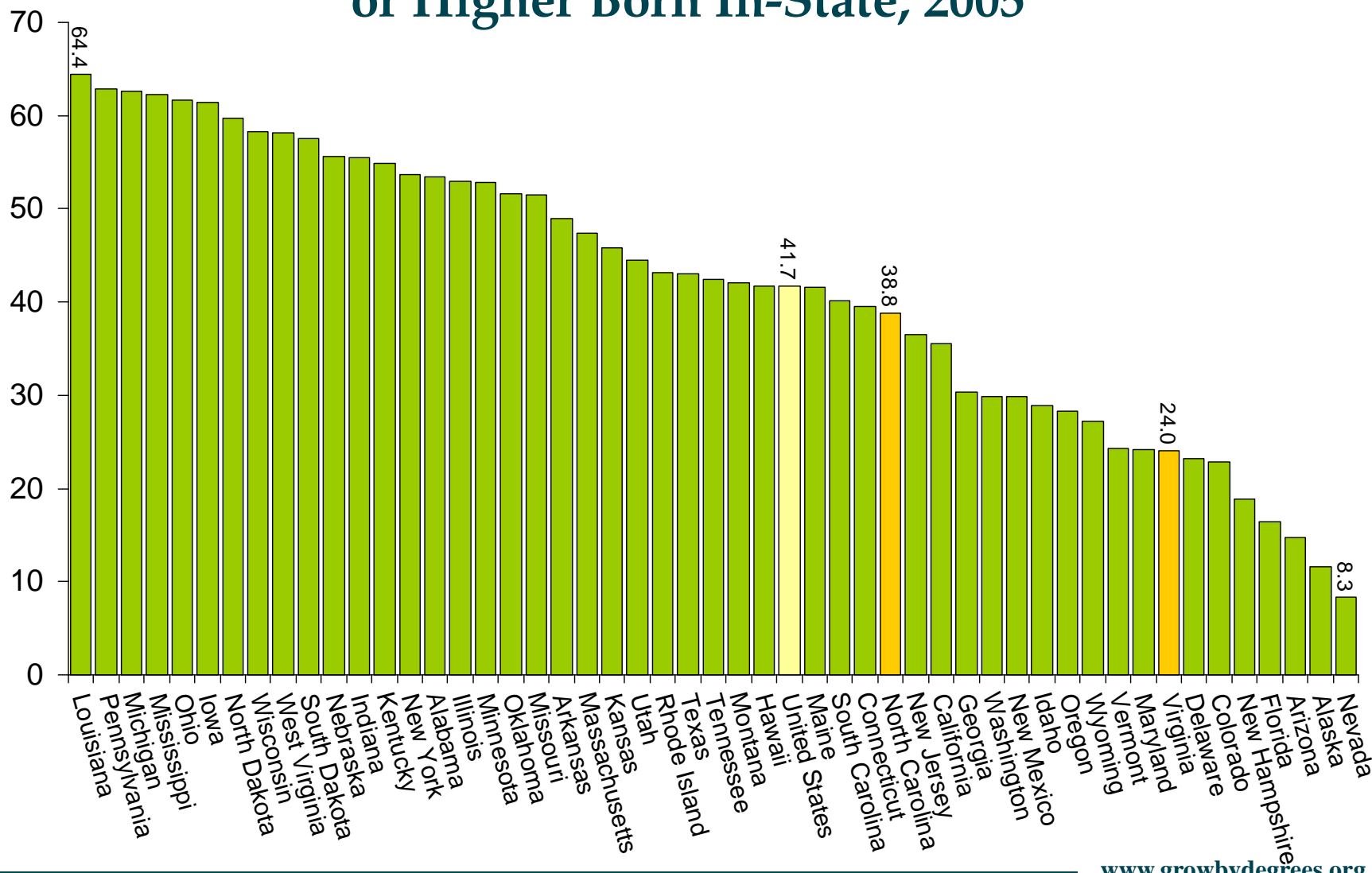


NOTE: Earnings based on persons age 18-64 reporting positive wages working 35+ hours per week. Earnings adjusted to July 2006 dollars.

Source: National Center for Higher Education Management Systems, Analysis based on U.S. Census Bureau, 2006 ACS PUMS File

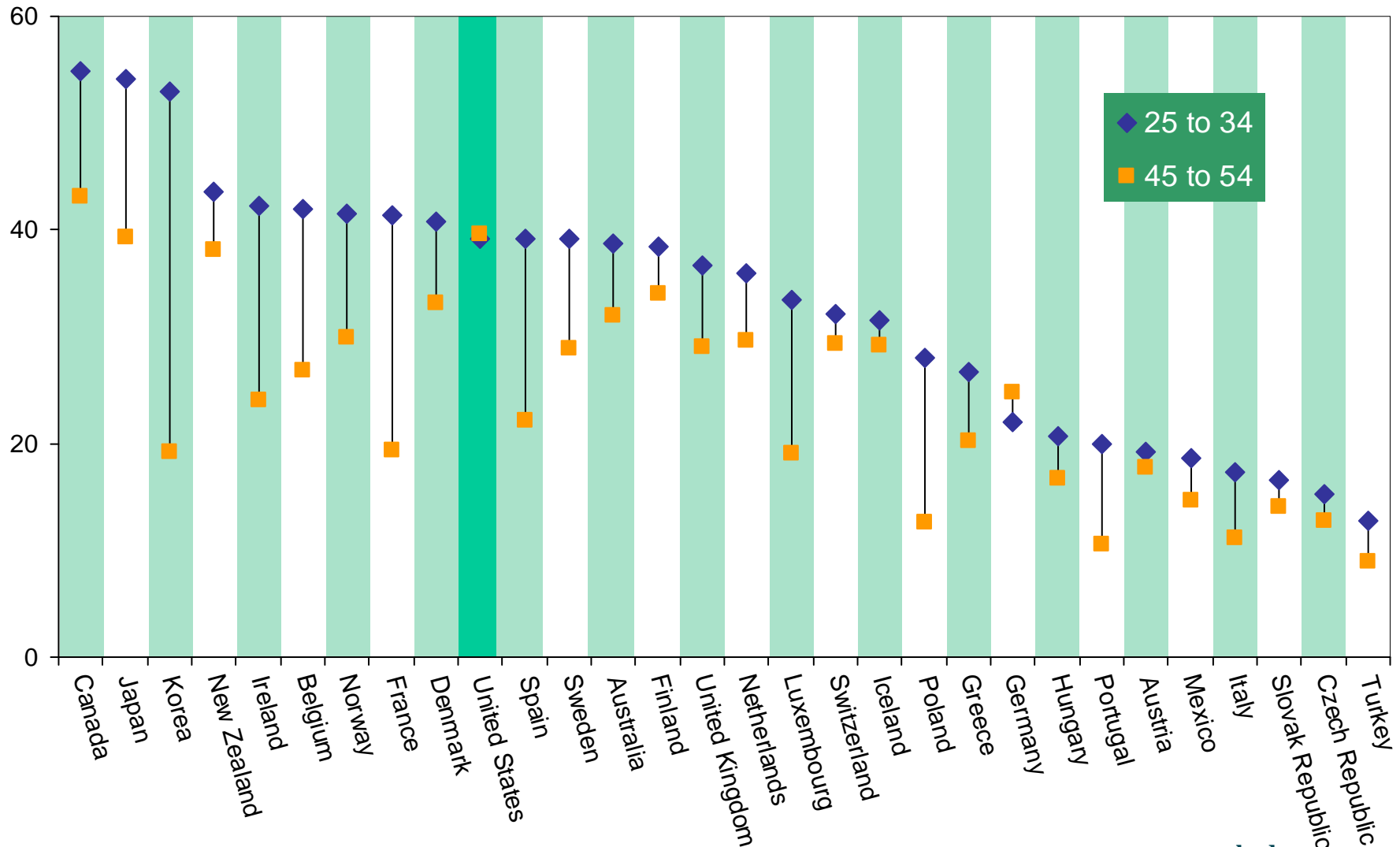


## Percent of Residents Age 25-64 with a Bachelor's Degree or Higher Born In-State, 2005



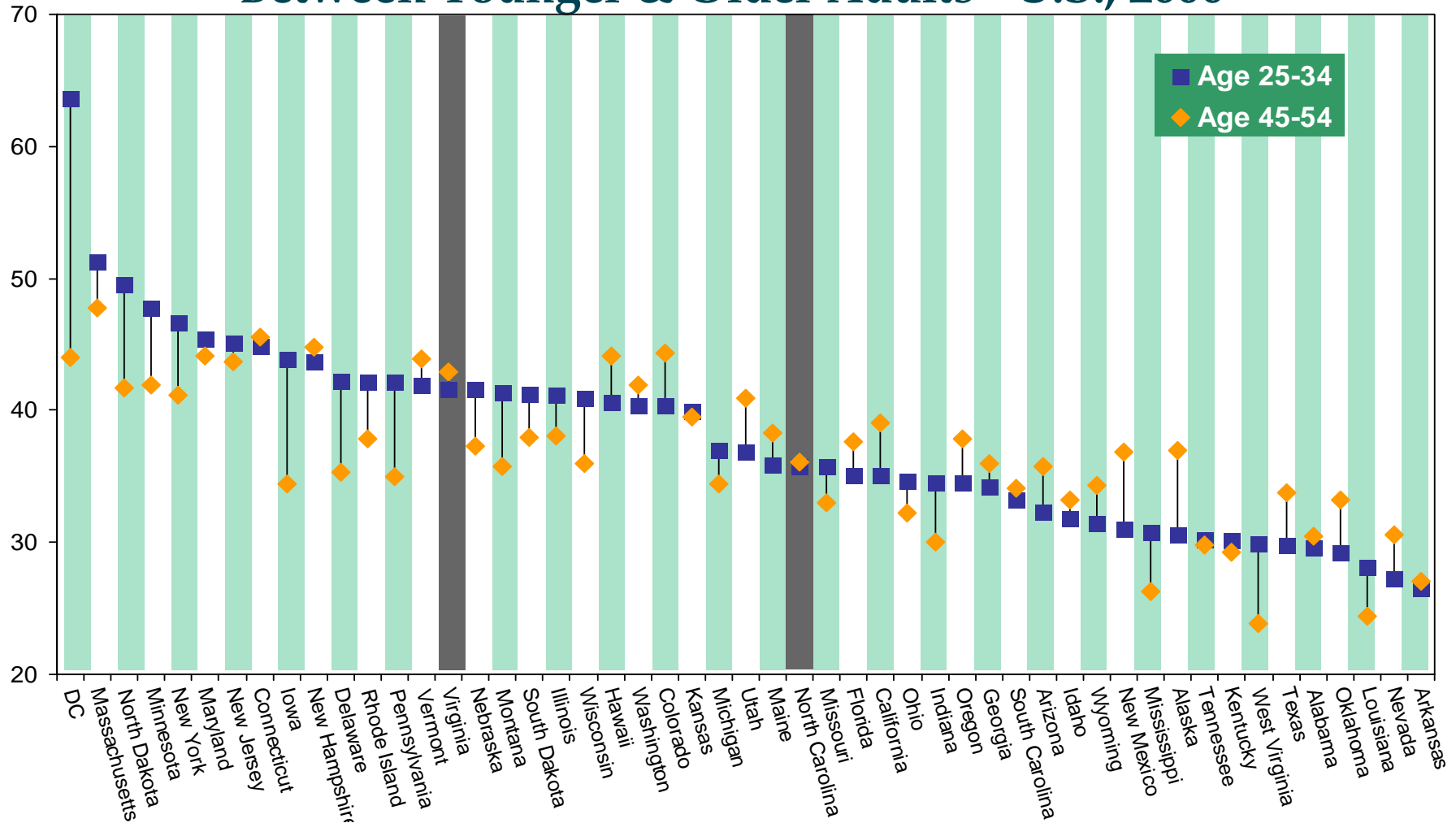


# Differences in College Attainment (Associate & Higher) Between Younger & Older Adults – U.S. & OECD Countries, 2006



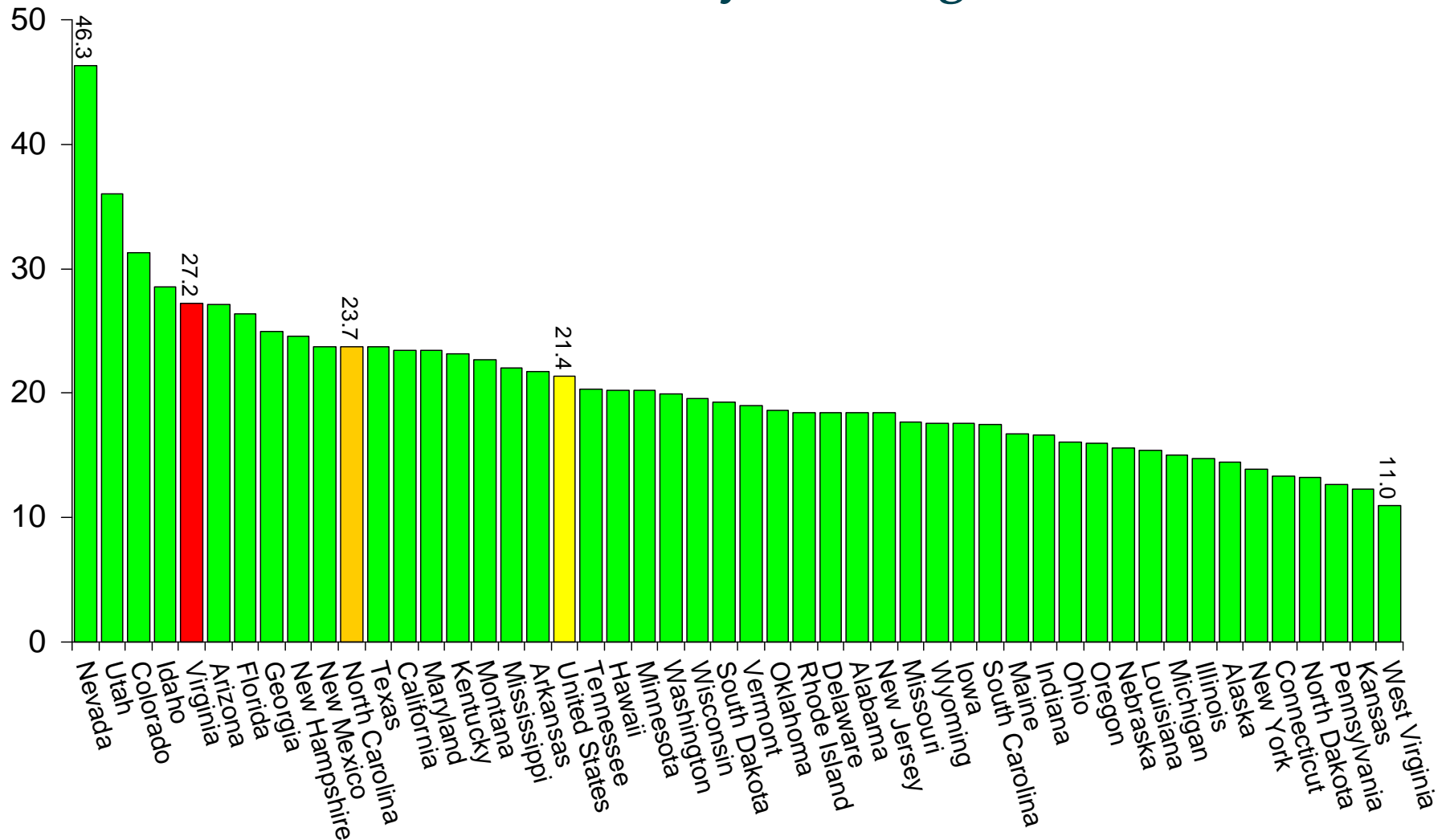


# Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2006





## Projected Percent Change in Occupations Requiring Some Postsecondary Training, 2002-2012

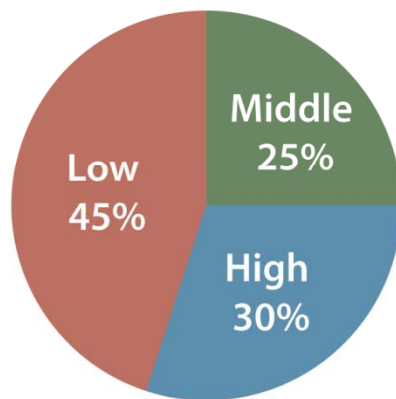




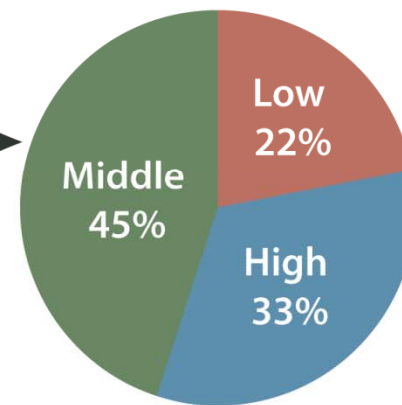
# Growing Demand for Highly Educated Workers

## Workforce Skill Levels vs. Projected Workplace Skill Demands

2007 Skill Levels in  
America's Workforce



2014 Demand for Skill  
Levels in the Workplace



20% Skills Gap

Source: Analysis by Chmura Economics and Analytics based on ACT data.

The supply side is based on education attainment. Low Skill = high school or less. Middle Skill = two years of education / training beyond high school. High Skill = four-year degree and higher.

The demand side compares requirements of jobs based on education and/or skills needed to be successful on the job.

This information comes in part from the ACT Job Pro database and test and BLS O\*NET information.



# SHOW GROW BY DEGREES DVD 8 MINUTES



# GROW BY DEGREES

A Campaign of the Virginia Business Higher Education Council

## *HONORARY LEADERSHIP*

*Gov. Bob McDonnell - Sen. Mark Warner - Sen. Jim Webb*

*Gov. Tim Kaine - Sen. John Warner - Gov. George Allen - Gov. Jim Gilmore*

*Gov. Chuck Robb - Gov. Doug Wilder - Gov. Gerald Baliles - Gov. Linwood Holton*





# GBD Strategic Objective

To accomplish a systemic, sustainable transformation in the political-governmental standing of Virginia higher education

– *and, through that transformation* –

To secure a reliable, predictable revenue stream and other positive policies that will help make Virginia higher education the national pacesetter over the next decade and beyond.



# Strategic premises

## ***(1) FUNDING SITUATION ACUTE***

- The boom-bust cycle is familiar, but the bust this decade has been extreme. State E&G funding is down 40-50% on a constant-dollar per-student basis, threatening quality, access and affordability.
- The problem is one of priorities. If college funding had just kept pace with average general fund growth during the same period, the state would be spending \$300 million more on higher ed annually.



# Strategic premises

## ***(2) TRANSFORMATIVE CHANGE***

- Major policy initiatives rarely occur in Virginia unless undertaken by the Governor. And Governors rarely undertake major initiatives unless they have campaigned on them. The 2009 election thus presented a pivotal moment to set the stage for a positive initiative.
- To sustain transformative change, higher ed needs a strong, ongoing advocacy coalition that levels the legislative playing field.



# Strategic premises

## **(3) ECONOMIC FOCUS**

- Historic economic events have converged to make economic recovery/economic growth THE political issue during the Grow By Degrees program, including the 2009 campaign.
- This created a unique opportunity to build support for higher education investment and innovation by calling attention to the close connection between higher education and economic growth on both a personal and macroeconomic level.
- It is not reasonable to expect significant increases in state support for higher education in the future - return on investment becomes even more important.



# Phase 1 (October 2008 thru March 2009)

*Bipartisan polling research completed ...*

*Agreement forged on 7 key messages/priorities ...*

- (1) In the new economy, success depends on college degrees!  
*100,000 more degrees in the next 15 years*
- (2) Focus on high-demand, high-earnings degrees (STEM, healthcare).
- (3) Develop innovative and cost-efficient new pathways to degrees.
- (4) Expand job-specific training at community colleges.
- (5) Maximize return on investment in new-economy research.
- (6) Promote economic development and workforce training in each region of Virginia.
- (7) Make college affordable for middle-class families.

*Pre-launch outreach to 4 gubernatorial candidates ...*

*Candidates embrace major GBD policy goals ...*



## Phase 2 (April 2009 thru March 2010)

*Major speech by candidate McDonnell at GMU, outlining sweeping higher ed initiative to pursue as Governor ...*

*Successful GBD campaign/website rollout in June*

- News conferences featuring business, college leaders resulted in extensive news and editorial coverage ...

*Briefings held for statewide and legislative candidates*

- Higher ed messages highlighted in campaigns ...

*Initial development of GBD coalition:*

- All living governors, 3 senators on board as co-chairs
- Outreach by institutions via website, email, mail
- Presentations to numerous target organizations



## Phase 2 (April 2009 thru March 2010)

### *Both candidates attend October '09 Higher Ed Summit:*

- Commit to make higher education a top priority.
- Reject tuition caps and caps on out-of-state students.
- Oppose further funding cuts.

### *Economic impact analysis establishes Virginia higher ed's strong return on investment:*

- Unveiled at higher ed summit, generating news coverage.
- Distributed to legislators, candidates, money committee staff.

### *Collaboration with McDonnell transition:*

- VBHEC Chairman co-chairs Governor's Higher Education Transition Team.
- VBHEC and institutions have input in transition report.
- Gov's Inaugural, G.A. addresses stress higher ed goals.



## Phase 2 (April 2009 thru March 2010)

### *Positive impact on 2010 Assembly budget actions:*

- VBHEC leaders/presidents meet with Governor.
- Gov's proposals reject further higher ed cuts.
- General Assembly rejects further higher ed cuts.





## Phase 3 (May 2010 thru March 2012)

*Governor McDonnell appoints Commission on Higher Education Reform, Innovation and Investment. Four business leaders from VBHEC on commission.*

*Governor's Commission reports findings that form basis for legislation – “The Virginia Higher Education Opportunity Act of 2011 (Top Jobs Act).”*

-- Confer 100,000 more degrees on in-state students at Virginia's public two- and four-year colleges and universities over the next 15 years, with a like percentage increase at private institutions.

-- Focus the increased degree attainment in the “STEM” disciplines, as well as healthcare.



## Phase 3 (May 2010 thru March 2012)

### *2011 “Top Jobs” Legislation (continued):*

- Invest in high-impact research, and incentives for degree and research programs with the greatest value in the marketplace.
- Promote innovation and cost savings through reforms: including technology-enhanced instruction, instructional resource-sharing across institutions, new pathways for degree attainment, and optimal year-round utilization of facilities.
- Improve strategic planning through collaborative six-year planning process.
- Enhance access and affordability.
- Implement new higher education funding model that provides a framework for sustained investment.



## Phase 3 (May 2010 thru March 2012)

*Virginia Higher Education Act of 2011 (Tops Jobs Act)  
Unanimously approved by both House and Senate.*

*Governor 2011 and General Assembly restore \$100 million in  
state support for higher education to fiscal year 2012 budget.*

*Governor and 2012 General Assembly add \$232 in state  
support for higher education over next two years, fiscal years  
2013 and 2014.*

*Public college tuition and fee increases for in state  
undergraduates this year (2012-2013) will be 4.5% compared to  
9.7% last year and 13.1% the year before.*



# Phase 4 (April 2012 to ...)

*Sustain momentum of Grow By Degrees campaign*

*Outreach to potential gubernatorial candidates*

*Three business leaders from VBHEC on Higher Education Advisory Committee (created by legislation) that continues to emphasize STEM-H and innovation and cost savings through reforms:*

- Use of technology-enhanced instruction*
- Instructional resource-sharing across institutions*
- New pathways for degree attainment*
- Year-round utilization of facilities*



# GROW BY DEGREES

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