



GROW BY DEGREES

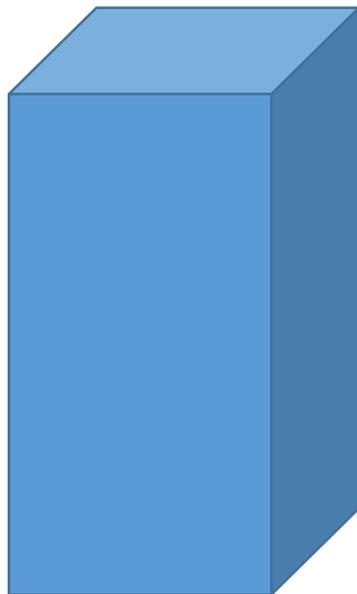
Virginia Business Higher Education Council

KEY FACTS ABOUT VIRGINIA'S HIGHER EDUCATION SYSTEM

Virginia's higher education system produces a huge economic impact ...

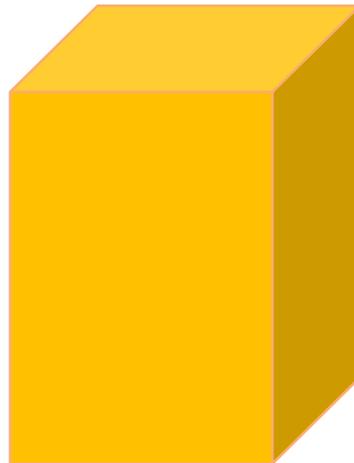
A comprehensive new study completed earlier this year by the Weldon Cooper Center for Public Service, the third study of its kind since 2009, has documented the dramatic economic impact of Virginia's public higher education system:

\$36.122 billion



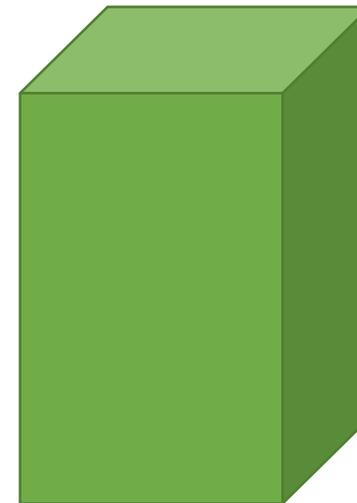
GSP

167,277



Jobs

\$3.257 billion

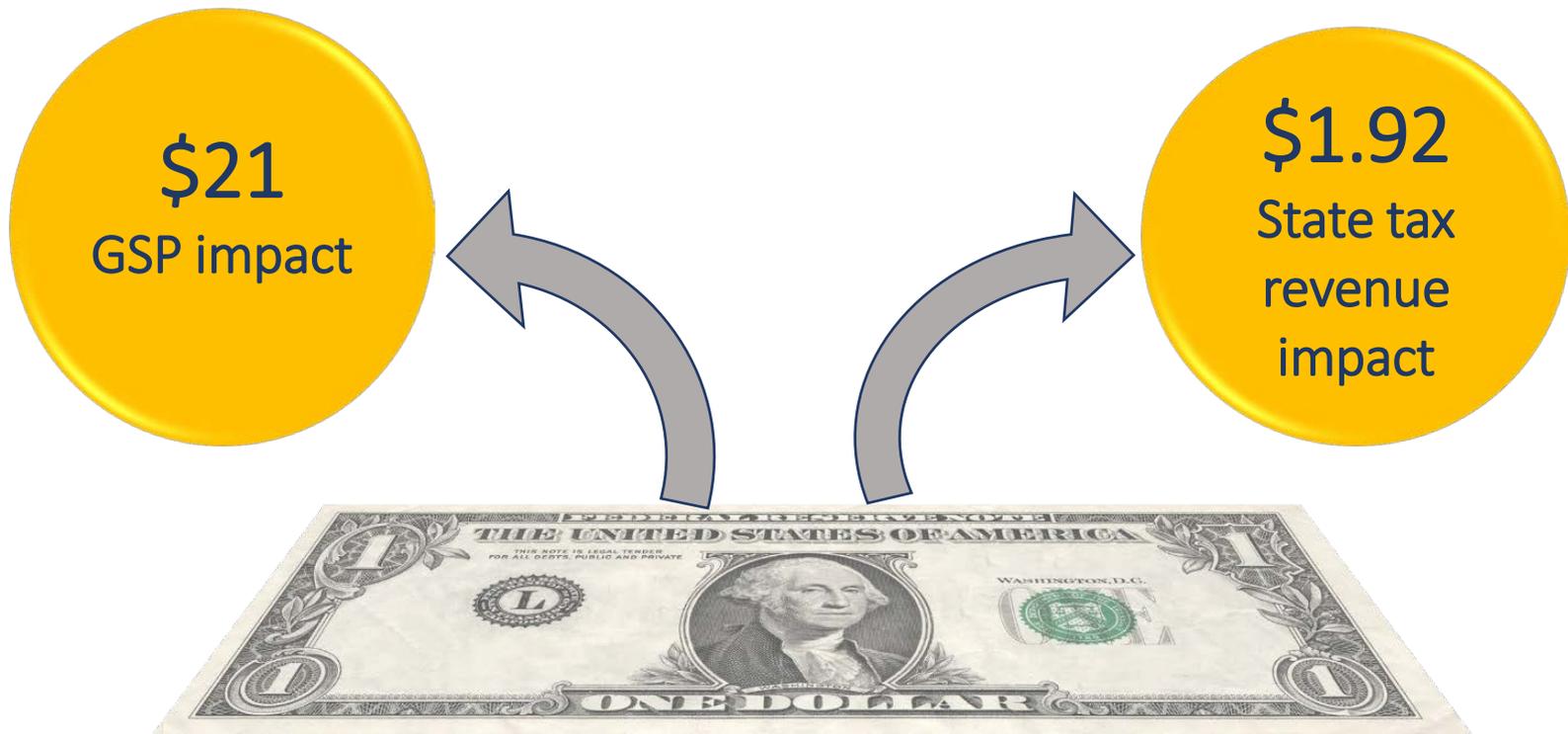


Revenue

Note: All figures in 2015 dollars.

The investment more than pays for itself ...

Each dollar spent on Virginia's public higher education system in Virginia produces \$21 in greater Gross State Product (GSP). And, it more than pays for itself, returning \$1.92 to the state treasury.



Note: All figures in 2015 dollars.

Virginia's higher education system is a top performer nationally ...

JLARC Report (2013): “Virginia has increased enrollment more and graduated students faster than nationwide.”

GRADUATION SUCCESS: “Virginia’s 15 public four-year higher education institutions collectively achieve their missions—to educate and graduate students—better than most. **Virginia ranked second among all states in terms of average six-year graduation rates.** The graduation rates of UVA, the College of William and Mary, and Virginia Tech ranked among the nation’s top 20 public colleges and universities.”

ENROLLMENT GROWTH: “**Student enrollment at Virginia’s 15 public four-year higher education institutions has increased more than the national average.** Enrollment growth appears to be the largest driver of increased spending on faculty compensation as Virginia institutions hire additional teaching and research faculty.... Popular views that rising average salaries and benefits are influencing increased spending do not appear to hold true among most Virginia institutions.”

Source: first quote: JLARC, *Trends in Higher Education, Funding, Enrollment, and Student Costs*, p. 27 (June 2013); second quote: JLARC, *Addressing the Cost of Public Higher Education in Virginia*, Report Summary, p. 1 (November 2014); third quote: JLARC, *Review of Academic Spending and Workload at Virginia’s Public Higher Education Institutions*, p. 13 (December 2013)

Virginia ranked as best state for higher education

March 14, 2017

While Virginia has slipped in rankings as the best state for business, it has been named the top state for higher education.

The personal finance website SmartAsset has named Virginia the No. 1 state for higher education in its third annual ranking. The Old Dominion had been second in previous lists in 2016 and 2017...

Source: <http://www.virginiabusiness.com/news/article/virginia-ranked-as-best-state-for-higher-education>

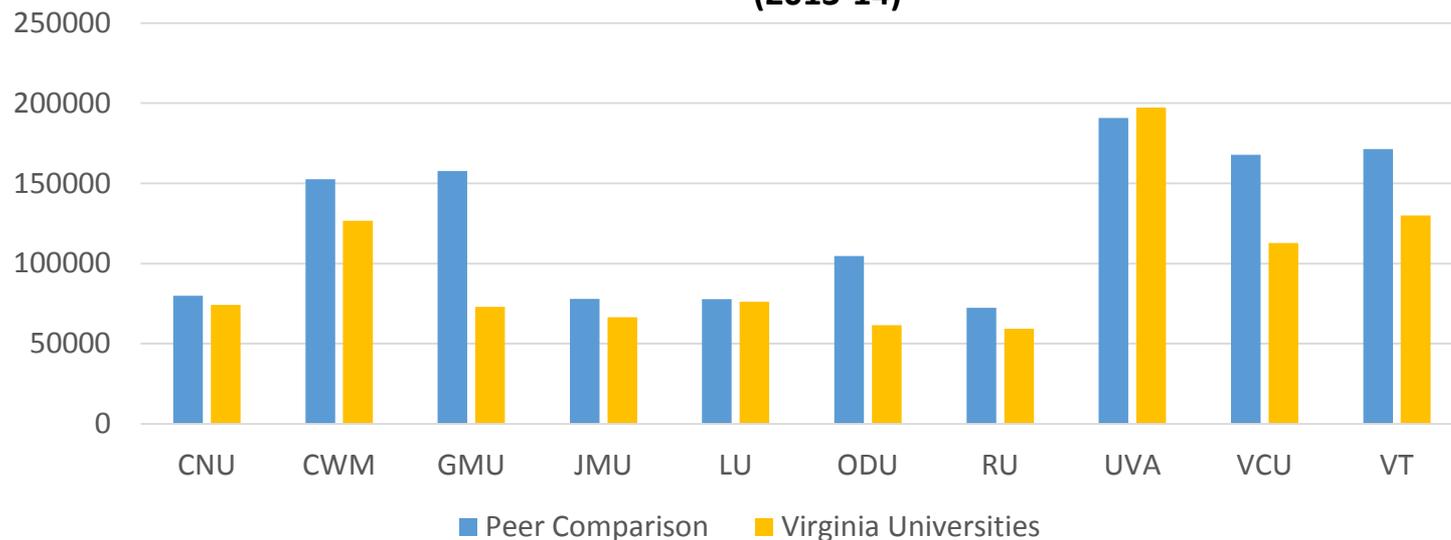
“Virginia’s public colleges and universities effectively educate their students,” SmartAsset adds: “Virginia has one of the highest average graduation rates in our study at 70 percent. And, the average 20-year return on investment for graduates is \$442,660, which is the fourth-highest ROI in our study.”

Source: http://pilotonline.com/opinion/editorial/editorial-the-facts-on-higher-ed-in-virginia/article_3581f7fc-8842-52e1-8742-03bf9352b121.html

Virginia's colleges are efficient compared to peers ...

One key indicator of efficiency in higher education is the average amount (from all sources) that an institution spends to produce an undergraduate degree. As shown below, Virginia's public colleges are efficient, generally spending at or below—and often well below—the average cost per degree of their peer institutions. (A distinctive list of out-of-state peers for each Virginia institution is determined by the State Council of Higher Education for Virginia.)

**Expenditures per Degree at Selected Virginia Institutions
vs. SCHEV-Designated Peer Group Average
(2013-14)**



Source: National Center for Higher Education Management Systems (NCHEMS)
Note: Peer groups vary for each institution. Lists of designated peer institutions are available from the State Council of Higher Education for Virginia (SCHEV).

Virginia's colleges receive low state support ...

Virginia ranked **44th in state support** of higher education in 2015, investing much less per student than the national average ... and much less than key states with which we compete for talent, investment, and new business as well as business rankings.

Source: National Center for Higher Education Management Systems (NCHEMS).

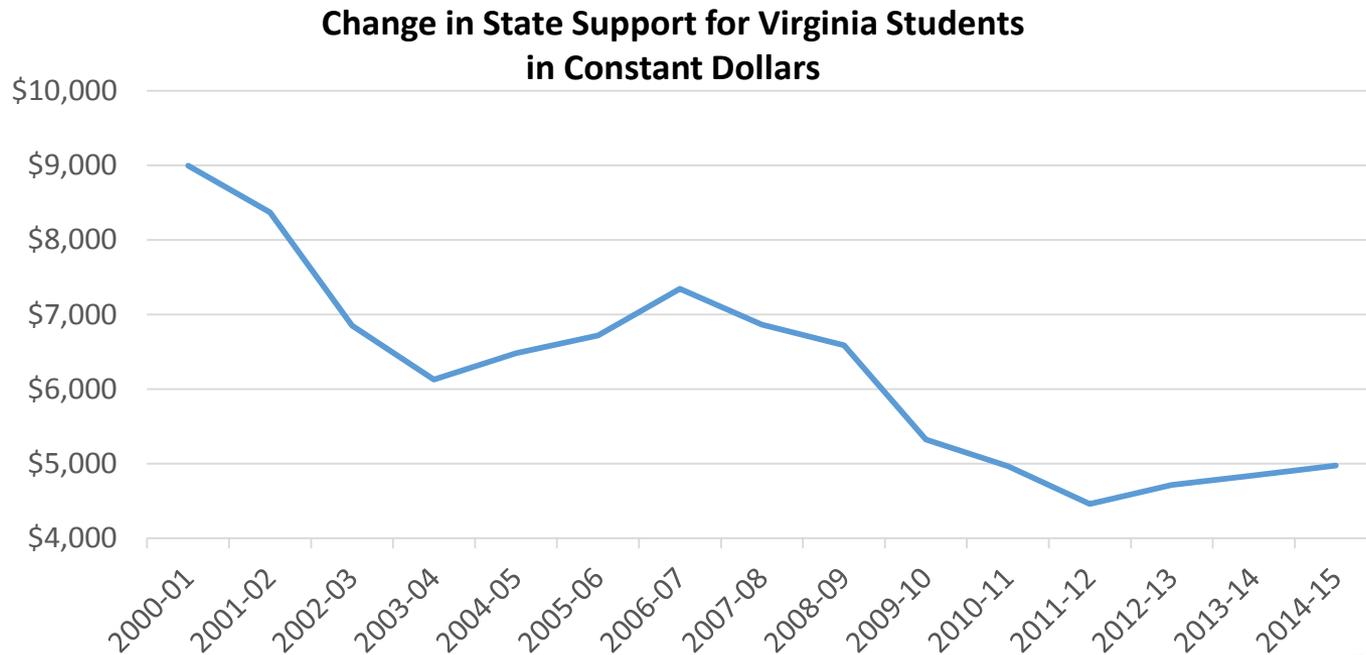
State support per FTE* student – States (2015)



Virginia has cut higher education funding sharply since 2001 ...

Two recessions since the turn of the century prompted deep cuts in state funding for higher education from which the system has not recovered. Since passage of the Top Jobs Act in 2011, governors and legislative leaders in both parties have made it a priority to restore state higher education support, but progress has been difficult because of the state's slow revenue growth. The net result is alarming: Since 2001, in constant dollars, Virginia has cut higher education funding by **\$4,022 per student, or 44.7%**.

Source: SCHEV



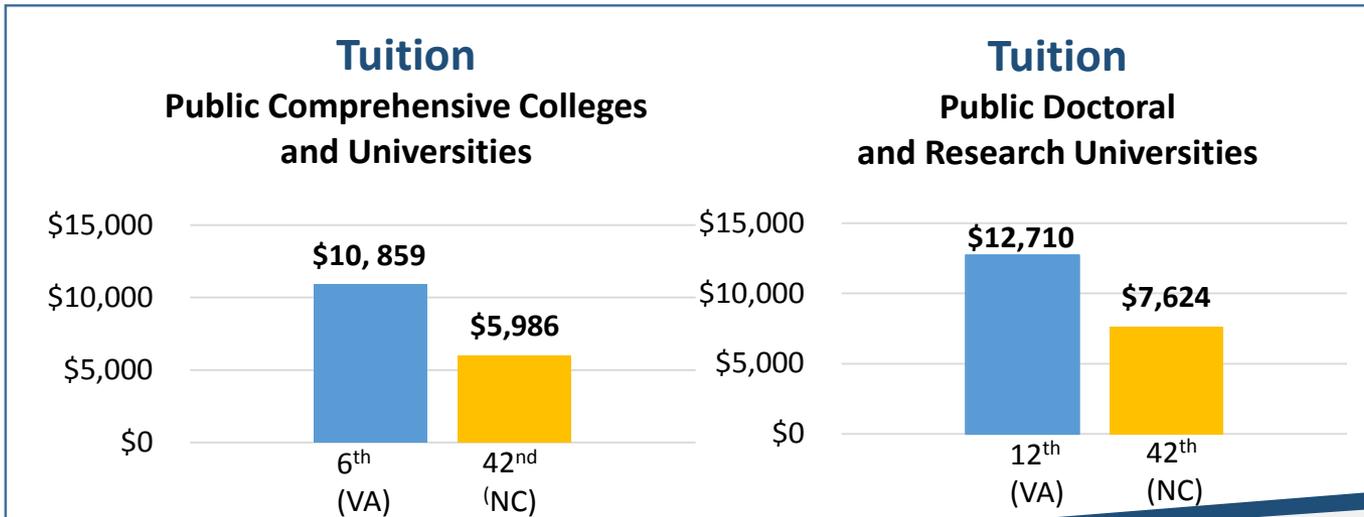
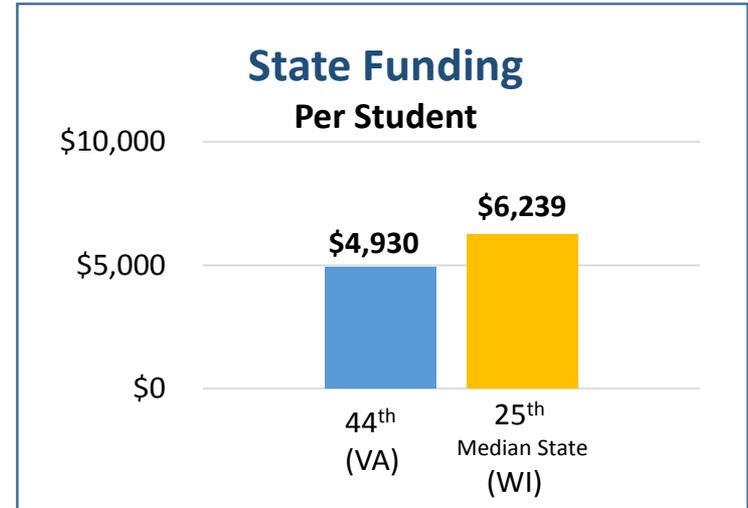
Virginia's high tuition rates correlate directly with state funding cuts ...

Virginia provides the 44th lowest public support per student ...



... and has the 6th-12th highest tuition rates for public colleges and universities.

Source: NCHEMS; SCHEV Tuition and Fees report
Note: The 44th ranking in state support is for 2015 (during the same year, NC was ranked 11th and MD was ranked 13th). Tuition figures/rankings are based on 2016 undergraduate tuition rates.



Virginia's high tuition rates correlate closely with state funding cuts ...

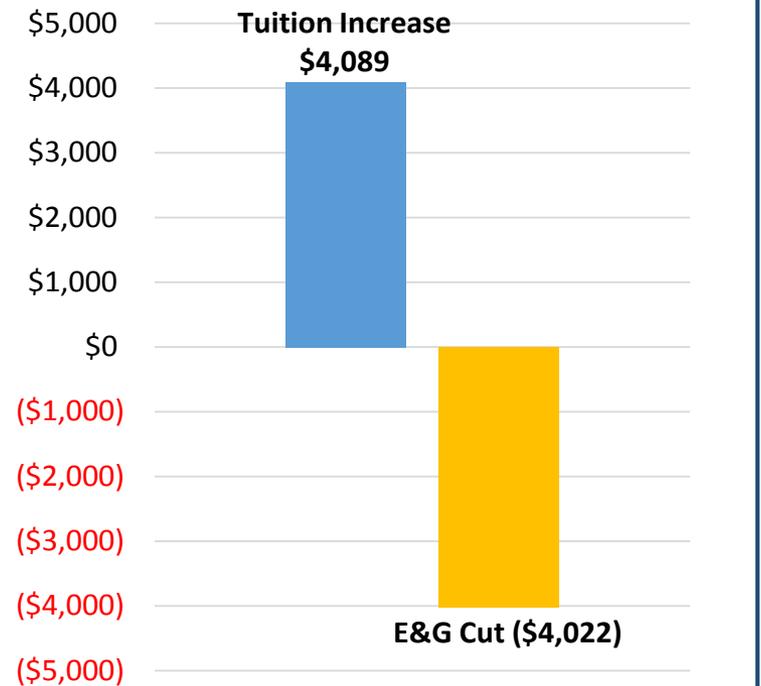
There has been virtually a **1:1 correlation** between state funding cuts and systemwide tuition increases since 2001.

- **4-YEAR INSTITUTIONS:**
At Virginia's public 4-year institutions since 2001, tuition actually has **RISEN LESS** than the state funding reduction. (\$4,356 average tuition increase vs. \$5,154 per-student reduction in state funding).
- **COMMUNITY COLLEGES:**
In the community college system since 2001, tuition has risen slightly more (\$2,534) than the reduction in state funding (\$2,133).

Reinvestments by the Commonwealth have produced tuition mitigation by the colleges.

For example, although this year's budget shortfall requires additional cuts in state higher education funding for FY2018, Virginia's colleges responded to the state's FY2017 higher ed investment by adopting **the lowest average tuition increase in 15 years.**

System-wide tuition* increase vs reduction in per-student E&G funding (constant dollars, 2001-2015)



*In-State Undergraduate

A state that aspires to be #1 for business again cannot stay #44 in support for higher education ...

TALENT RISK

- Loss of talented young people who leave Virginia for higher-paying jobs in other states; failure to attract the “best and brightest” here for study and work.
- Critical workforce shortages that inhibit small business growth and discourage new businesses from relocating, expanding, and investing in Virginia.

QUALITY RISK

- Loss of top researchers and teachers in the increasingly stiff competition for high-performing faculty; competitive disadvantage in generational turnover of faculty.

ACCESS RISK

- Failure to fully develop the potential of low-income Virginians, first-generation students, and other underrepresented populations.
- A worsening “middle class squeeze” that results in excessive debt levels for middle-income students and their families.



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FIND OUT HOW YOU CAN HELP

CONTACT: WWW.GROWBYDEGREES.ORG

