



The “Top Jobs” (TJ21) Higher Education Legislation

Report on Legislative Action and Overview of Next Steps

**Thomas F. Farrell, II, Chairman
M. Kirkland Cox, Vice Chairman
June 16, 2011**



Preparing for the Top Jobs of the 21st Century

*Interim Report of the Governor's Commission on
Higher Education Reform, Innovation and Investment*

Chairman Thomas F. Farrell, II
Vice Chairman The Honorable M. Kirkland Cox

December 20, 2010

The Washington Post

washingtonpost.com > Metro > Virginia Politics Blog

Virginia Politics

News and Notes on Politics in Richmond and Northern Virginia

About this Blog | [On Twitter](#) | [Follow us on Facebook](#) | [RSS Feed](#)

THE BLOGGERS

- Rosalind Helderman
[Archive](#) [Meet Rosalind](#)
- Anita Kumar
[Archive](#) [Meet Anita](#)
- Jennifer Buske
[Archive](#) [Meet Jennifer](#)
- Caitlin Gibson
[Archive](#) [Meet Caitlin](#)
- Christy Goodman
[Archive](#) [Meet Christy](#)
- Ben Pershing

Posted at 5:47 PM ET, 02/ 7/2011

House and Senate pass McDonnell's higher education package

By Anita Kumar



KUMAR

The House of Delegates and the Senate have easily passed Gov. Robert F. McDonnell's higher education bill, which is designed to be the first step toward [the governor's goal](#) of awarding 100,000 new associate and bachelor's degrees over the next 15 years through financial aid, grants to virtual schools, and other



SEARCH

Web Search powered by **YAHOO!**Richmond
| Powhat

Richmond Times-Dispatch

House approves higher-education overhaul

By [KARIN KAPSIDELIS](#)

Published: February 03, 2011

The House of Delegates gave unanimous approval Wednesday to legislation linking higher education and jobs creation as the plan also advanced in the Senate.

The Senate Finance Committee adopted its version of the bill after making changes to the structure of an advisory committee that will overs

The Senate changes reflect conce
public colleges and universities, w

The legislation, Senate Bill 1459 a
McDonnell's higher-education refor

Many of the specifics of the reform
It would work with the schools on s
for the Top Jobs of the 21st Centu





“Preparing for the Top Jobs of the 21st Century”

The Virginia Higher Education Opportunity Act of 2011

- **Commit the Commonwealth to national and international leadership in college degree attainment and personal income.**
- **Put Virginia on a focused and sustainable path of higher education reform, innovation, and investment.**
- **Establish a clear state policy that will serve as a roadmap and catalyst for priority investment as the economy and revenues rebound.**
- **Provide the framework for developing and funding specific initiatives promoting economic opportunity, reform-based investment, and affordable access.**



“Preparing for the Top Jobs of the 21st Century”

The Virginia Higher Education Opportunity Act of 2011

1. ECONOMIC OPPORTUNITY –

Fueling economic growth and preparing Virginians for the top job opportunities in the knowledge-based economy

2. REFORM-BASED INVESTMENT –

Maintaining excellence and achieving global leadership through sustained, reform-based investment and innovation

3. AFFORDABLE ACCESS –

Providing all capable Virginians with access to a college degree at an affordable cost



The Commonwealth's Commitment ...

“The objective of this chapter is to fuel strong economic growth in the Commonwealth and prepare Virginians for the top job opportunities in the knowledge-driven economy of the 21st century by establishing a long-term commitment, policy, and framework for sustained investment and innovation ...

... that will enable the Commonwealth to build upon the strengths of its excellent higher education system and achieve national and international leadership in college degree attainment and personal income ...

... [and] ensure these educational and economic opportunities are accessible and affordable for all capable and committed Virginia students.”



100,000 More Degrees ...

“To place Virginia among the most highly educated states and countries by conferring approximately 100,000 cumulative additional undergraduate degrees on Virginians between 2011 and 2025, accompanied by a comparable percentage increase in privately conferred Virginia undergraduate degrees over the same period ...”

“... by expanding enrollment of Virginians at public and private higher education institutions in the Commonwealth, improving undergraduate graduation and retention rates ..., and increasing degree completion by Virginians with partial credit toward a college degree ...”



STEM and Research Focus ...

“To [increase] college degree attainment in ... high-demand, high-income fields such as science, technology, engineering, mathematics, and health care, and by providing information about the economic value and impact of individual degree programs by institution ...”

“... promote university-based research that produces outside investment in Virginia, fuels economic advances, triggers commercialization of new products and processes, [and] fosters the formation of new businesses ...”

“... enhance the security and economic competitiveness of the United States of America [and] secure a leading economic position for the Commonwealth of Virginia, through increased research and instruction in [STEM] and related fields...”



Reform-Based Investment ...

“To preserve and enhance the Virginia higher education system’s excellence and cost-efficiency through reform-based investment that promotes innovative instructional models and pathways to degree attainment, including ...

... optimal [year-round] use of facilities and instructional resources ...
... technology-enhanced instruction [&] sharing of instructional resources ...
... increased online learning opportunities for nontraditional students ...
... improved rate and pace of degree completion ...
... expanded availability of dual enrollment and advanced placement ...
... expanded community college transfer options ...
... enhanced college readiness before matriculation ...”

“... realize the potential for enhanced benefits from the [Restructuring Act] ...”

“.... [recognize] the unique mission and contributions of each institution of higher education in the Commonwealth ...”



New Funding Model ...

“To establish a higher education funding [model] that promotes stable, predictable, equitable, and adequate funding ...

.... facilitates effective planning at the institutional and state levels ...

.... provides incentives for increased enrollment of Virginia students at public and private nonprofit colleges & universities ...

.... provides need-based financial aid for low-income and middle-income students and families ...

... relieves the upward pressure on tuition associated with loss of state support due to economic downturns or other causes ...

... and provides financial incentives to promote innovation and enhanced economic opportunity...”



Commission's Major Recommendations

1. ECONOMIC OPPORTUNITY

a) 100,000 More Degrees

- i. Enrolling more Virginia students**
- ii. Degree completion by Virginians with partial credit**
- iii. Improving retention and graduation rates**

b) STEM and Other High-Demand Degrees

- i. Economic opportunity metrics**
- ii. STEM degree initiative**

c) Research and Development Initiative

- i. Statewide R&D strategic roadmap**
- ii. Creation of Virginia Innovation Fund**
- iii. R&D income tax credit**



Commission's Major Recommendations

2. REFORM-BASED INVESTMENT

a) Year-Round Utilization

b) Technology-Enhanced Instruction

- i. “Virtual Departments” initiative**
- ii. Innovative course redesign**
- iii. Expansion of online course offerings**
- iv. Electronic textbooks and online curriculum**

c) Degree Path Initiatives

- i. Dual enrollment and advanced placement**
- ii. Community college transfer program**
- iii. Accelerated degree completion**
- iv. College readiness initiatives**

d) Restructuring Refinements

e) Community College “Reengineering”



Commission's Major Recommendations

3. AFFORDABLE ACCESS

a) Codified Funding Model

- i. Four-part framework**
- ii. Restoring predictable state support**
- iii. Reducing reliance on tuition**
- iv. Higher education rainy day fund**

b) Per-Student Funding

- i. Tuition assistance grants (TAG)**
- ii. "Virginia Promise" enrollment-based support**

c) Need-Based Financial Aid

- i. Targeting low- and middle-income families**

d) Incentives for Economic Impact and Innovation



Commission Recommendation:

Establish a Collaborative Planning Process Involving Institutional and State Decision-Makers

TJ21 Legislation:

- ✓ *Establishes a new Six-Year Plan process that consolidates and streamlines institutional reporting.*
- ✓ *Provides for systematic feedback/discussion of Six-Year Plans with representatives of Executive and Legislative branches.*
- ✓ *Recognizes the unique mission and situation of each institution, and provides a mechanism for addressing such differences in the planning and funding process.*



Commission Recommendation:

Increase Degree Attainment in STEM and Related Fields

TJ21 Legislation:

- ✓ *Provides for creation of a new statewide and regional public-private partnership to promote STEM education, teacher training, involvement of the business community, etc.*
- ✓ *Provides for development of direct financial incentives for institutions to increase STEM degree production.*
- ✓ *Provides for development of “economic opportunity metrics” that indicate value of particular degrees in the marketplace.*



Commission Recommendation:

Promote Technology-Enhanced Instruction and Resource-Sharing Across Institutions

TJ21 Legislation:

- ✓ *Funding model includes incentives for technology-enhanced instruction, including course redesign, online course offerings, and resource-sharing across institutions*
- ✓ *Institutions to include resource-sharing initiatives in their Six-Year Plans.*
- ✓ *Funding provided for “4VA” partnership with Cisco*



Commission Recommendation: **Year-Round Utilization of Physical Facilities and Instructional Resources**

TJ21 Legislation:

- ✓ *Funding model includes incentives for optimizing year-round utilization on an institution-specific basis.*
- ✓ *Institutions to include year-round utilization strategies in their Six-Year Plans.*



Commission Recommendation:

Increased Enrollment of Virginia Students and Degree Conferral Targets for Each Institution

TJ21 Legislation:

- ✓ ***Funding model includes direct incentives for increased enrollment of Virginia undergraduate students at public and private not-for-profit institutions.***
- ✓ ***Institutions set degree conferral targets in Six-Year Plans.***
- ✓ ***Budget provided incremental funding to institutions that have announced plans for increased enrollment.***
- ✓ ***Rejected in-state/out-state ratio mandates in favor of incentive-based approach.***



Commission Recommendation: **Increase Financial Aid for Middle-Income Students**

TJ21 Legislation:

- ✓ *Middle-income affordability is an explicit state objective.*
- ✓ *Funding model includes financial aid for low-income and middle-income students and their families.*
- ✓ *New federal policies and institutional practices on financial aid being assessed by SCHEV.*
- ✓ *Six-Year Plans address tuition; tuition pressures relieved as state funding rebounds.*
- ✓ *Rainy Day Fund concept to be explored/developed.*
- ✓ *TAG funding increased.*



Commission Recommendation:

Base Funding that is Predictable, Equitable and Less Dependent on Ad Hoc Decisions and Lobbying

TJ21 Legislation:

- ✓ *Funding model codifies formula for basic operations and instructional funding.*
- ✓ *Provides mechanism for embedding institution-specific adjustments in the model, rather than relying on annual discretionary adjustments or exceptions.*
- ✓ *Establishes guideline that each institution should receive the same percentage of its base funding from the state as every other institution.*

GOVERNOR'S COMMISSION

ON

**HIGHER EDUCATION
REFORM,
INNOVATION
and
INVESTMENT**



Legislative Implementation and Next Steps



Higher Education Advisory Committee

- **Collaborative mechanism for fleshing out the funding model specifics in several key areas.**
- **Includes representatives of executive and legislative branches, higher education institutions, and business leaders.**
- **Authority is limited to making recommendations to Governor and General Assembly.**
- **Distinct from the committee that reviews Six-Year Plans.**
- **The “Advisory Committee” or “AC” -- not “HEAC.”**



Advisory Committee - Immediate Tasks

1. *Enrollment growth incentive:*

Methodology by which significant state funding follows the student to the public or private nonprofit institution of their choice.

2. *Middle-income financial aid:*

Criteria for determining which families qualify as “low” and “middle” income, and how those criteria relate to federal, state and institutional financial aid policies.

3. *Targeted economic and innovation incentives:* Objective performance criteria for measuring the various financial incentives called for in TJ21 and the resulting benefits/consequences.

4. *Economic opportunity metrics:*

Measures and indicators of the historical and projected economic value of degrees that can be used to assess degree programs.



Advisory Committee - Immediate Tasks

5. *Restructuring-related performance measures:*
Additional restructuring authority to be granted to institutions and revisions to state goals, performance measures and resulting benefits/consequences for the institutions.
6. *Nonpublic institutions' role:*
Role of nonpublic institutions in meeting TJ21 goals and recommendations related thereto.
7. *Revenue stabilization fund:*
Develop state- and institution-level Rainy Day Fund proposals in consultation with SCHEV.
8. *Institution-specific base funding adjustments:*
Consult with SCHEV on institutional base funding calculation.



Ongoing Duties (at least every 5 years)

A. *Financial aid programs:*

Review adequacy of federal, state and institutional practices related to low-income and middle-income financial aid.

B. *Additional restructuring authority:*

Identify additional ways to reduce costs and enhance efficiency by increasing managerial autonomy with authority at institutional level.

C. *System-wide TJ21 assessment:*

Periodically assess the degree the system is meeting statewide objectives of economic opportunity, reform, affordability and access and strategic impact of general fund investments.

D. *Ongoing funding model review/miscellaneous:*

Review the funding model elements listed on prior slides; perform other tasks as assigned by Governor or General Assembly.



Commission Recommendation:

Create a new state income tax credit to promote private investment in R&D activities

Research and Development Tax Credit Legislation:

- ✓ *Provides a tax credit for qualified research conducted in conjunction with a Virginia public or private college or university*



Commission Recommendations:

- **Develop a statewide strategic roadmap that catalogs all R&D assets and activities, particularly those related to federally funded research, and aligns Virginia's economic development initiatives with additional R&D investments.**
- **Establish an emerging technologies fund as a vehicle for strengthening R&D-related programs, including recruitment of eminent faculty, acquisition of research-related equipment, intellectual property commercialization and seed-stage funding.**



Next Steps for the Governor's Commission

- **Optimal college degree access for military personnel and veterans.**
- **Regional strategies for workforce development, business recruitment, and research.**