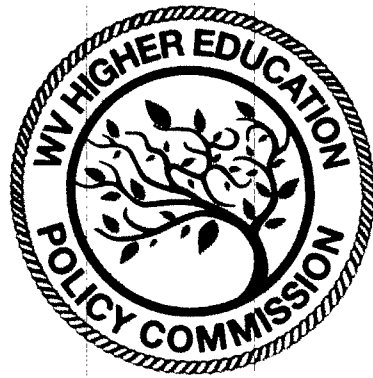


Current Issues in American Higher Education – An Accent on West Virginia



**Presented at the 3rd annual Board of Governors Summit
Stonewall Resort**

July 23, 2010



Public Policy Issues Facing Higher Education in 2009-10 (*AGB*)

- The Recession
- Heightened Scrutiny of Nonprofit Organizations
- The New GI Bill
- Accountability
- K-12 Education
- Global Competitiveness, Changing Demographics, and the Workforce
- Federal Research Support
- Higher Education Governance



The Recession: The National Context

- According to a recent survey by the National Governors Association, the recession has resulted in budget gaps totaling \$297 billion across the states between FY 2009 and FY 2012. State general fund spending declined in both FY 2009 and FY 2010, the first-ever back-to-back annual declines.
- The NGA/NASBO Fiscal Survey of the States (2010) indicates that FY 2010 presented the most difficult challenge for states since the Great Depression, and FY 2011 is expected to present similar challenges.
- The size of state government has been downsized. Nationally, nearly 50,000 fewer state government jobs exist (excluding teachers) than in 2008, according to NASBO. In FY 2010, 26 states laid off employees, 22 utilized furlough programs and 12 reduced salaries.
- At the collegiate level, institutions have adopted layoffs and furloughs, eliminated academic programs and student support services, closed colleges, limited course offerings, increased class sizes, and capped enrollment to offset budget reductions and minimize tuition and fee increases.



The Recession: Institutional Impacts

- A new era of retrenchment is underway, reflected by departmental consolidations, program consolidations and closures, reduced course offerings, increased class sizes, capped enrollments, increased faculty teaching loads, and increased use of contingent faculty.
- Institutions have turned to student generated revenues to partially offset declines in state funding:
 - The University of Wisconsin System approved a 5.5 percent increase for the upcoming academic year. This is the fourth straight year of increases at those levels.
 - The California State University system passed a 5 percent tuition hike in June. As a result, Cal State tuition prices will be 39 percent higher than two years ago.
 - Florida's state universities will increase tuition by up to 15 percent this year, which follows a similar increase for the prior academic year.
 - The University System of Maryland will increase tuition by 3 percent this year, the first such increase in four years.

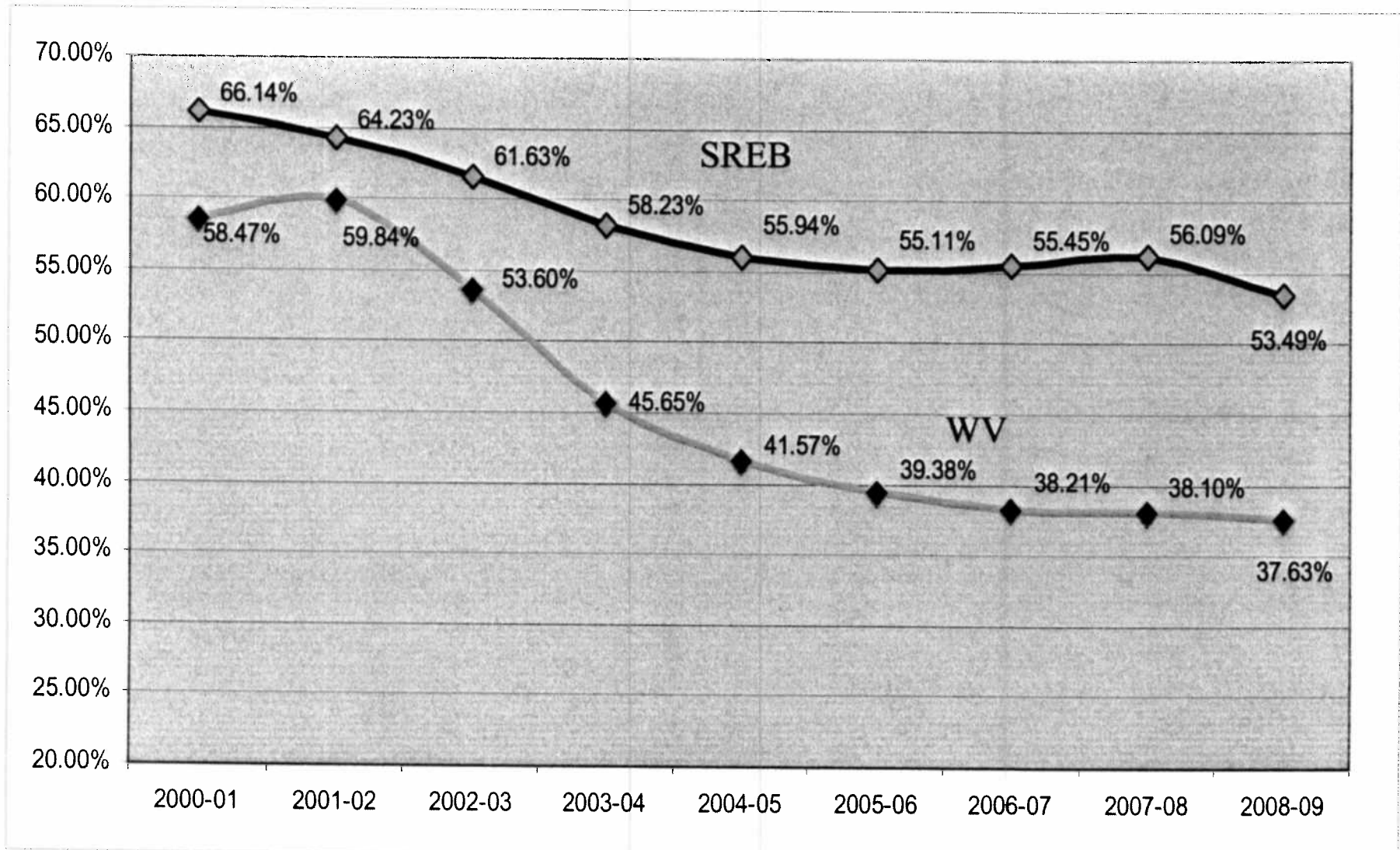


Peer Tuition Comparisons (2009)

Institution	2009 Tuition	Peer 2009 Tuition Average	Rank in Tuition Among 20 Peer Institutions	10-Year Tuition Change	Peer 10-Year Tuition Change
Bluefield State College	\$4,596	\$5,845	16	\$2,308	\$2,729
Concord University	\$4,974	\$5,923	14	\$2,314	\$2,793
Fairmont State University	\$4,952	\$5,844	13	\$2,636	\$2,889
Glenville State College	\$4,888	\$6,915	18	\$2,512	\$3,273
Marshall University	\$5,236	\$6,120	15	\$2,616	\$2,916
Shepherd University	\$5,797	\$5,619	11	\$2,726	\$2,773
West Liberty University	\$4,880	\$6,059	12	\$2,460	\$2,983
West Virginia State University	\$4,644	\$5,747	15	\$2,180	\$2,569
West Virginia University	\$5,304	\$7,644	18	\$2,468	\$3,778
WVU Institute of Technology	\$5,164	\$6,581	15	\$2,434	\$3,258



Declining Role of State Support per FTE



Source: SREB Data Exchange 2009



Funds for E&G Operations Per FTE Public Four-Year (2008-09)

	Dollars Per FTE Student				Rankings			
	State General Purpose	State Educational Special Purpose	Net Tuition & Fee Revenue	Total	State General Purpose	State Educational Special Purpose	Net Tuition & Fee Revenue	Total
SREB Average	\$6,870	\$701	\$6,584	\$14,155				
Alabama	5,474	694	6,600	12,768	14	10	9	10
Arkansas	5,926	1,291	5,404	12,620	11	2	12	11
Delaware	7,302	428	15,883	23,613	4	16	1	1
Florida	7,652	998	3,757	12,407	3	3	16	14
Georgia	7,235	553	4,780	12,568	5	12	15	13
Kentucky	6,216	958	9,134	16,309	10	4	3	4
Louisiana	6,955	801	4,821	12,577	6	6	14	12
Maryland	8,742	794	9,112	18,649	2	7	4	2
Mississippi	6,766	1,343	6,701	14,810	7	1	8	6
North Carolina	10,975	577	4,933	16,485	1	11	13	3
Oklahoma	6,347	696	6,543	13,587	9	9	10	9
South Carolina	4,017	803	10,851	15,671	15	5	2	5
Tennessee	5,554	546	6,215	12,315	13	14	11	15
Texas	6,651	443	7,511	14,604	8	15	6	7
Virginia	5,659	547	7,843	14,050	12	13	5	8
West Virginia	3,570	713	7,098	11,381	16	8	7	16

Source: SREB Factbook 2009



Accountability: The National Accent on Performance

- Sustained pressure to increase the number of college degrees awarded so that increased educational attainment levels can lead to state-wide economic improvement and expanded civic engagement.
- Increase the number of degrees awarded in STEM fields by expanding coursework offerings and academic programs in science, math, and technology fields.
- Pressures to protect the state's investment in human capital and our students' investment of personal capital by increasing graduation and retention rates.
- Pressure to protect and subsequently measure quality through the assessment of learning and educational activity (CLA and NSSE).

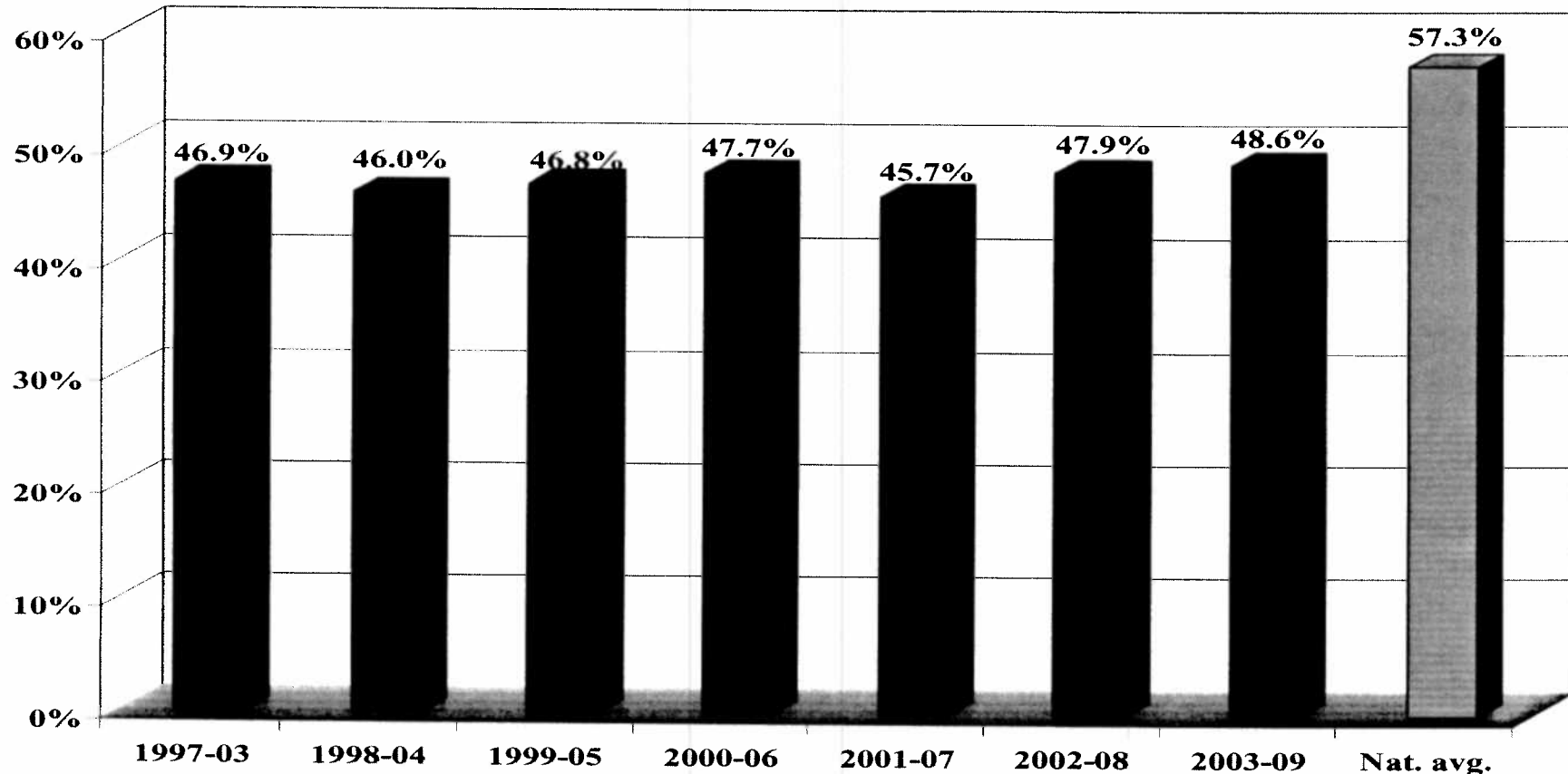


Accountability: The Focus on College Completion

- National and regional policy organizations have made the topic of completion the national agenda. This work is heavily supported by foundation efforts.
 - Complete College America: Alliance of 22 states focused on taking bold actions to significantly increase the number of students successfully completing college and achieving degrees and credentials with value in the labor market. Participating states have pledged efforts to close attainment gaps for traditionally underrepresented populations.
 - National Governor's Association: Complete to Compete initiative aimed at significantly enhancing the nation's human capital infrastructure.



Accountability: Six-Year Graduation Rates at Four-Year Colleges (2009)



Of the 11,202 students who entered WV universities as full-time freshman in Fall 2009, how many will graduate by 2015? Assuming that factors remain constant, 5,444 students will receive a college degree. What would higher education look like if graduation rates improved to the national average of 57.3%? An increase of this magnitude would yield approximately 975 additional college graduates.

West Virginia Higher Education Policy Commission



Accountability: Six-Year Graduation Rates* **at Four-Year Public Colleges and Universities**

	Cohort							% Change (02-03)	% Change (97-02)
	1997-03	1998-04	1999-05	2000-06	2001-07	2002-08	2003-09		
Bluefield State College	40.74	26.47	34.48	35.00	12.82	24.14	22.22	-1.92	-18.52
Concord University	39.66	40.00	35.42	37.75	40.00	36.64	34.98	-1.66	-4.68
Fairmont State	45.74	39.89	40.00	40.31	38.22	41.12	40.00	-1.12	-5.74
Glenville State College	30.98	36.04	37.45	32.74	29.55	31.94	37.90	5.96	6.92
Marshall University	40.27	40.36	44.01	48.17	42.28	46.03	46.65	0.62	6.38
Shepherd University	44.80	43.30	42.65	45.42	38.21	40.36	46.90	6.54	2.10
West Liberty State College	44.47	41.49	44.81	44.27	44.99	42.61	35.86	-6.75	-8.61
West Virginia State University	25.68	30.87	26.36	22.70	23.68	28.08	20.74	-7.34	-4.94
West Virginia University	57.99	56.29	55.86	56.27	55.58	57.65	59.11	1.46	1.12
WVU Institute of Technology	37.21	37.65	34.11	34.25	40.25	42.56	32.64	-9.92	-4.57
WVU - Parkersburg	25.56	19.86	23.85	26.67	25.49	19.05	23.39	4.34	-2.17
Overall	47.04	45.88	46.73	47.71	45.69	47.91	48.57	0.66	1.53

* First-Time Full-Time Freshmen receiving a bachelor's degree or higher within 6 years from any WV institution



Accountability: Graduation Rates and Peer Institutions

	Cohort						Peer Graduation Rates
	1997-03	1998-04	1999-05	2000-06	2001-07	2002-08	
Bluefield State College	40.74	26.47	34.48	35.00	12.82	24.14	35.70
Concord University	39.66	40.00	35.42	37.75	40.00	36.64	38.70
Fairmont State University	45.74	39.89	40.00	40.31	38.22	41.12	38.90
Glenville State College	30.98	36.04	37.45	32.74	29.55	31.94	40.20
Marshall University	40.27	40.36	44.01	48.17	42.28	46.03	46.80
Shepherd University	44.80	43.30	42.65	45.42	38.21	40.36	37.90
West Liberty University	44.47	41.49	44.81	44.27	44.99	42.61	36.20
West Virginia State University	25.68	30.87	26.36	22.70	23.68	28.08	37.60
West Virginia University	57.99	56.29	55.86	56.27	55.58	57.65	63.60
WVU Institute of Technology	37.21	37.65	34.11	34.25	40.25	42.56	34.80
Overall	47.04	45.88	46.73	47.71	45.69	47.91	

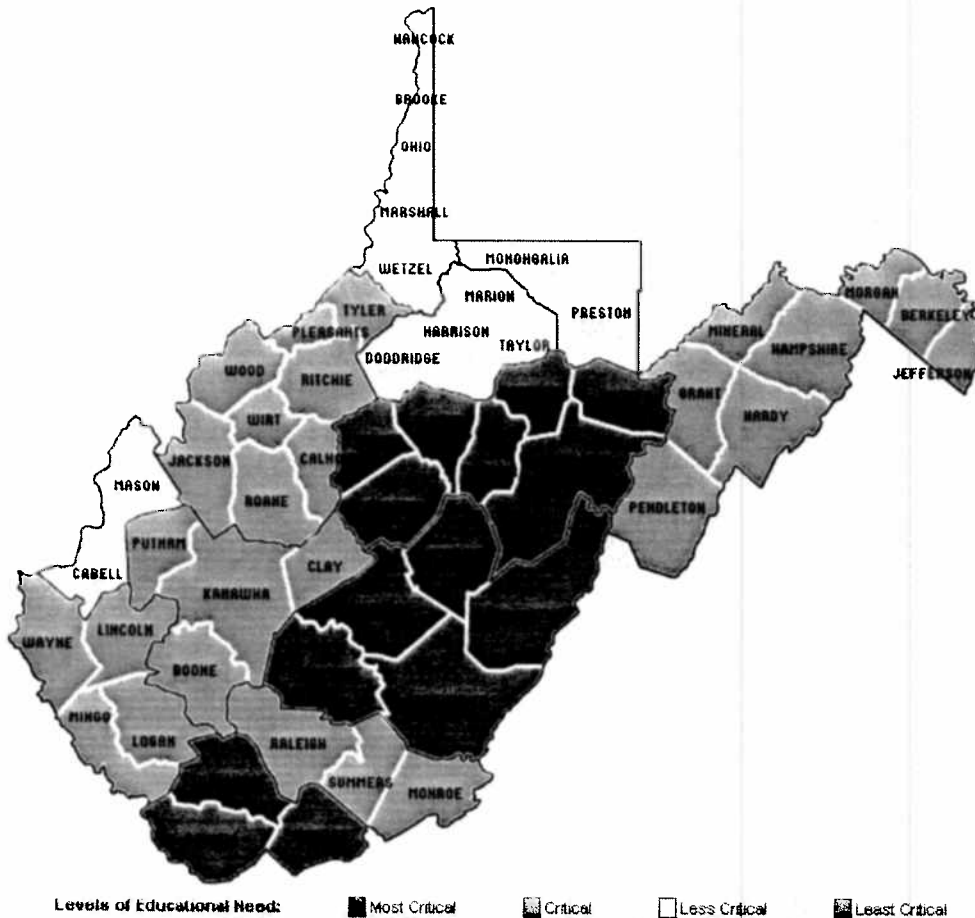


Accountability: The Need to Ensure Quality

- Institutions must remain diligent in their efforts to protect academic quality. Through the leadership of AACU, the LEAP initiative champions the importance of a liberal arts education, and measures to evaluate student outcomes. Examples of best practices include:
 - First year seminars and experiences
 - Common core curricula
 - Learning communities
 - Writing intensive courses
 - Collaborative and cohort based learning approaches
 - Undergraduate research
 - Diversity and global learning
 - Service learning and community based learning
 - Internships
 - Capstone Courses



Educational Conditions in WV



Educational Factors, Educational Needs Index, 2008

- WV lagged 10 points behind the national average on BA degree attainment among adults 25 and older (17.3% vs. 27.5)
- Of those 25 to 64 years old, 6.5% held an AA degree in WV compared to 8.2% nationally in 2005
- Statewide, over 28% of those under 65 lived at or below poverty level in 2005 compared to about 19% nationally in 2005
- Across the state in 2005, 12.6% of the population was employed in manufacturing and extraction compared to 12% nationally



Educational Attainment - SREB States

Percentage of Population 25 or Older with a Bachelor's Degree (Full Census and American Community Survey)						
	1990	1995	2000	2005	2007	% Change
United States	20.3%	23.0%	24.4%	27.2%	27.5%	7.2%
SREB States	18.6%	19.9%	22.4%	23.8%	24.0%	5.4%
Alabama	15.7%	17.3%	19.0%	21.4%	21.4%	5.7%
Arkansas	13.3%	14.2%	16.7%	18.9%	19.3%	6.0%
Delaware	21.4%	22.9%	25.0%	27.6%	26.1%	4.7%
Florida	18.3%	22.1%	22.3%	25.8%	25.1%	6.8%
Georgia	19.6%	22.7%	24.3%	27.1%	27.1%	7.5%
Kentucky	13.6%	19.3%	17.1%	19.3%	20.0%	6.4%
Louisiana	16.1%	20.1%	18.7%	20.6%	20.4%	4.3%
Maryland	26.5%	26.4%	31.4%	34.5%	35.2%	8.7%
Mississippi	14.7%	17.6%	16.9%	18.7%	18.9%	4.2%
North Carolina	17.4%	20.6%	22.5%	25.1%	25.6%	8.2%
Oklahoma	17.8%	19.1%	20.3%	22.4%	22.8%	5.0%
South Carolina	16.6%	18.2%	20.4%	23.0%	23.5%	6.9%
Tennessee	16.0%	17.8%	19.6%	21.8%	21.8%	5.8%
Texas	20.3%	22.0%	23.2%	25.1%	25.2%	4.9%
Virginia	24.5%	26.0%	29.5%	33.2%	33.6%	9.1%
West Virginia	12.3%	12.7%	14.8%	16.9%	17.3%	5.0%

WV ranked 16th in the SREB in 2005 and 50th nationally.

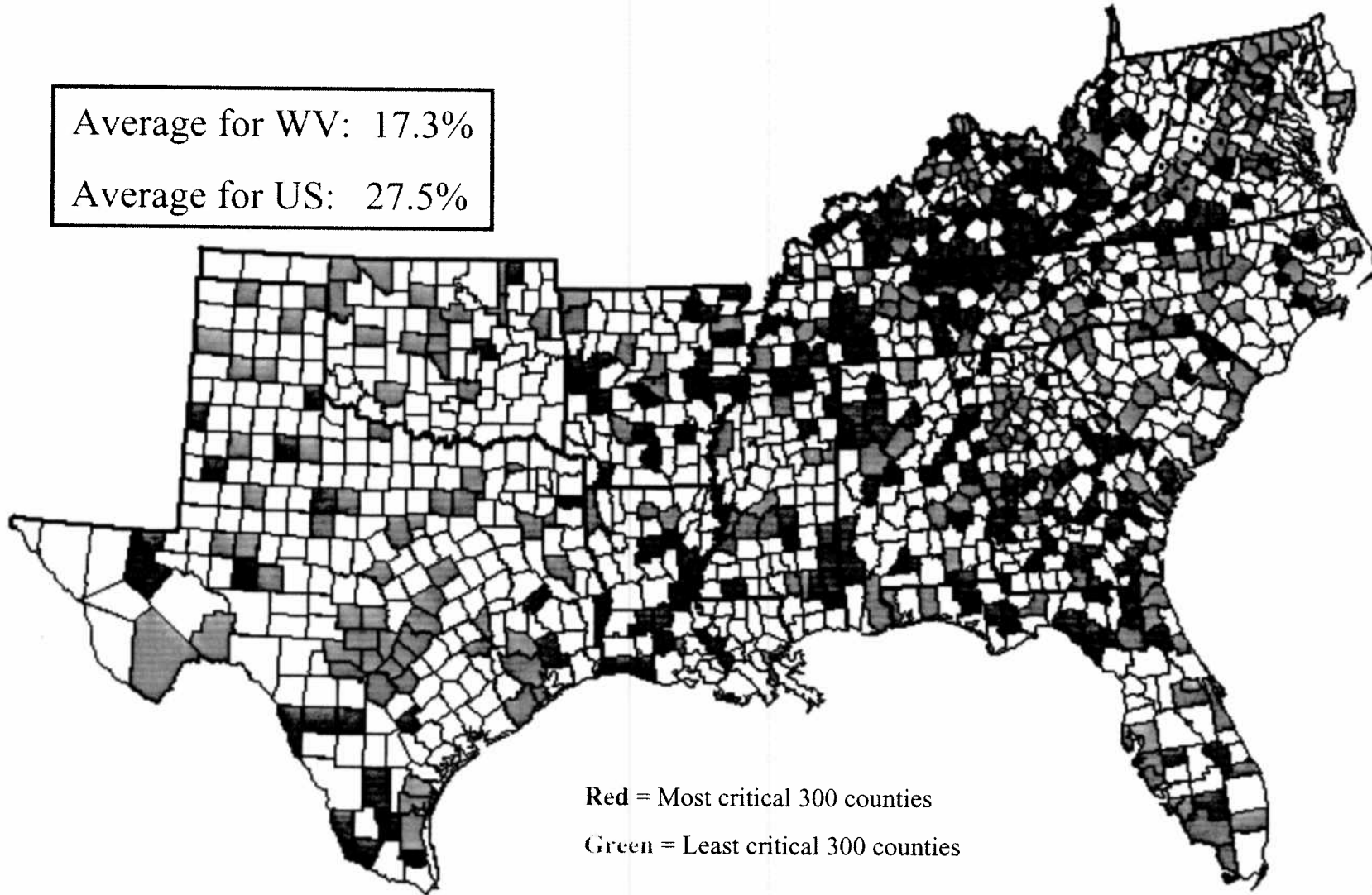
In order to reach the SREB average, we need to create/import 117,984 college graduates.



Percent of Adult Population with a Bachelor's Degree (2007 ACS)

Average for WV: 17.3%

Average for US: 27.5%



Red = Most critical 300 counties

Green = Least critical 300 counties



Cracks in the Pipeline

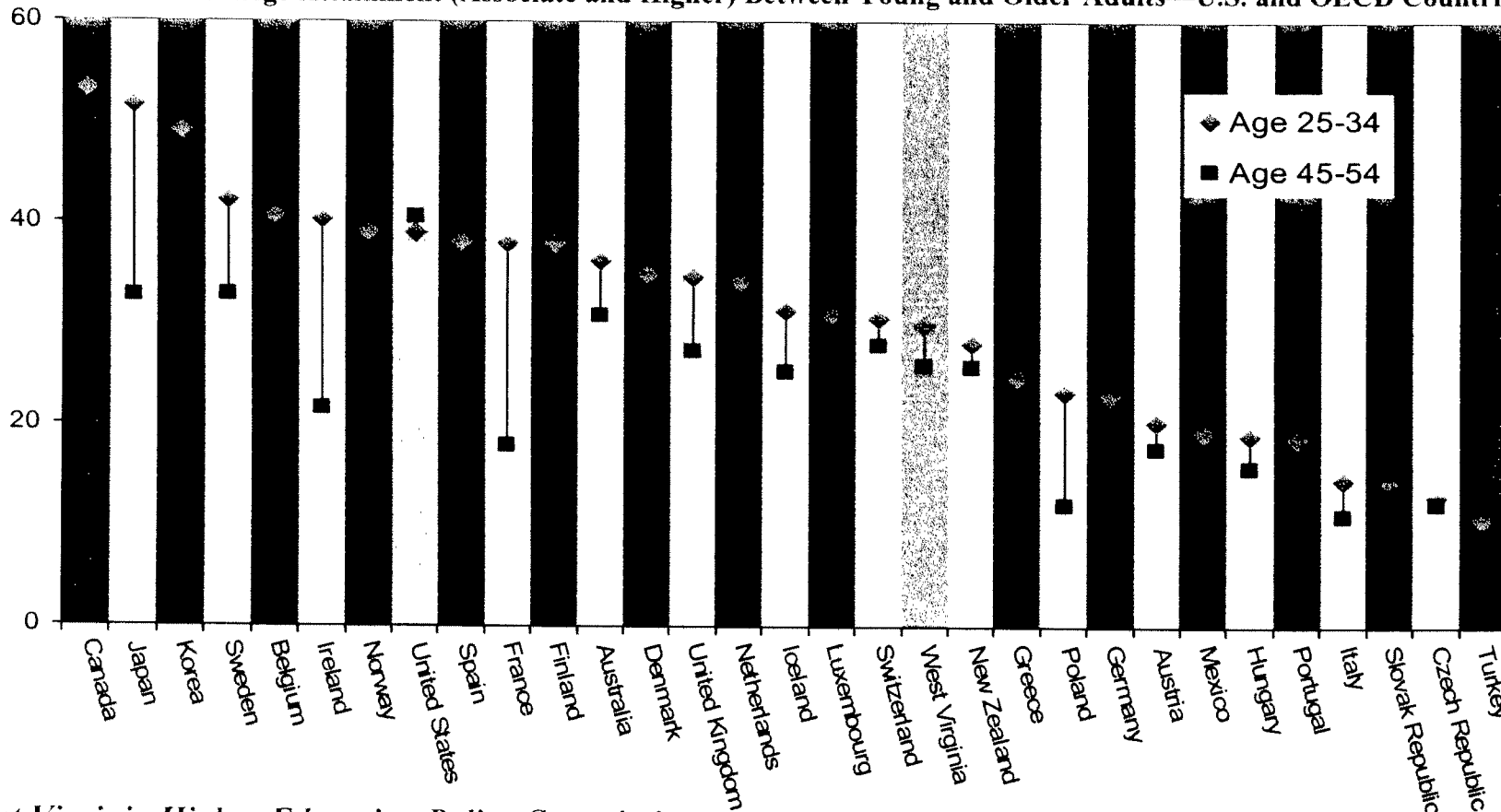
State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
South Dakota	100	82	56	36	28
Iowa	100	84	52	33	27
Pennsylvania	100	78	46	35	27
Virginia	100	73	42	31	22
Delaware	100	65	36	26	20
Ohio	100	76	40	28	19
Maryland	100	74	43	30	19
North Carolina	100	64	41	28	19
United States	100	70	39	27	18
West Virginia	100	73	39	26	16
Oklahoma	100	74	39	23	15
Arkansas	100	75	42	27	15
South Carolina	100	52	35	23	15
Florida	100	55	29	21	15
Louisiana	100	69	37	26	14
Georgia	100	54	35	23	14
Alabama	100	60	36	23	14
Texas	100	68	35	22	13
Tennessee	100	63	30	21	13
Kentucky	100	65	34	22	11
Mississippi	100	60	36	23	11



International Comparisons

- Once first in the world, America now ranks 10th in the percentage of young adults with a college degree.
- For the first time in our history, the current generation of college-age Americans will be less educated than their parents' generation.

Differences in College Attainment (Associate and Higher) Between Young and Older Adults—U.S. and OECD Countries, 2004



Increasing Demand for Postsecondary Education

- A recent report from the Georgetown University Center on Education and the Workforce indicates that the recession has accelerated the transition toward jobs that require some postsecondary education nationally.
- The current supply of credentialed students from our postsecondary systems will not meet the projected demand for skilled workers:
 - By 2018 about 63% of jobs nationally will require some postsecondary education, compared to 59% in 2007.
 - Demand is projected to outpace supply by about 300,000 college educated workers per year, creating a shortfall of about 3 million workers by 2018.

Carnevale, A.P., Smith, N., Strohl, J. (2010). Help wanted: Projections of jobs and education requirements through 2018. Georgetown Center on Education and the Workforce. Washington, D.C.



The Need to Produce More Degrees in West Virginia

- Between 2008-2018, there will be 234,000 job vacancies (from new jobs and retirements)
 - 49% (115,000) of these jobs will require postsecondary credentials
 - 40% (95,000) will require a high school degree
 - 19% (23,000) will require less than a high school degree
- By 2018, we will need an additional **20,000** people with postsecondary credentials above and beyond degree productions rates. It should be noted that this production level is required to merely sustain, not grow, our current economy.

Carnevale, A.P., Smith, N., Strohl, J. (2010). Help wanted: Projections of jobs and education requirements through 2018. Georgetown Center on Education and the Workforce. Washington, D.C.



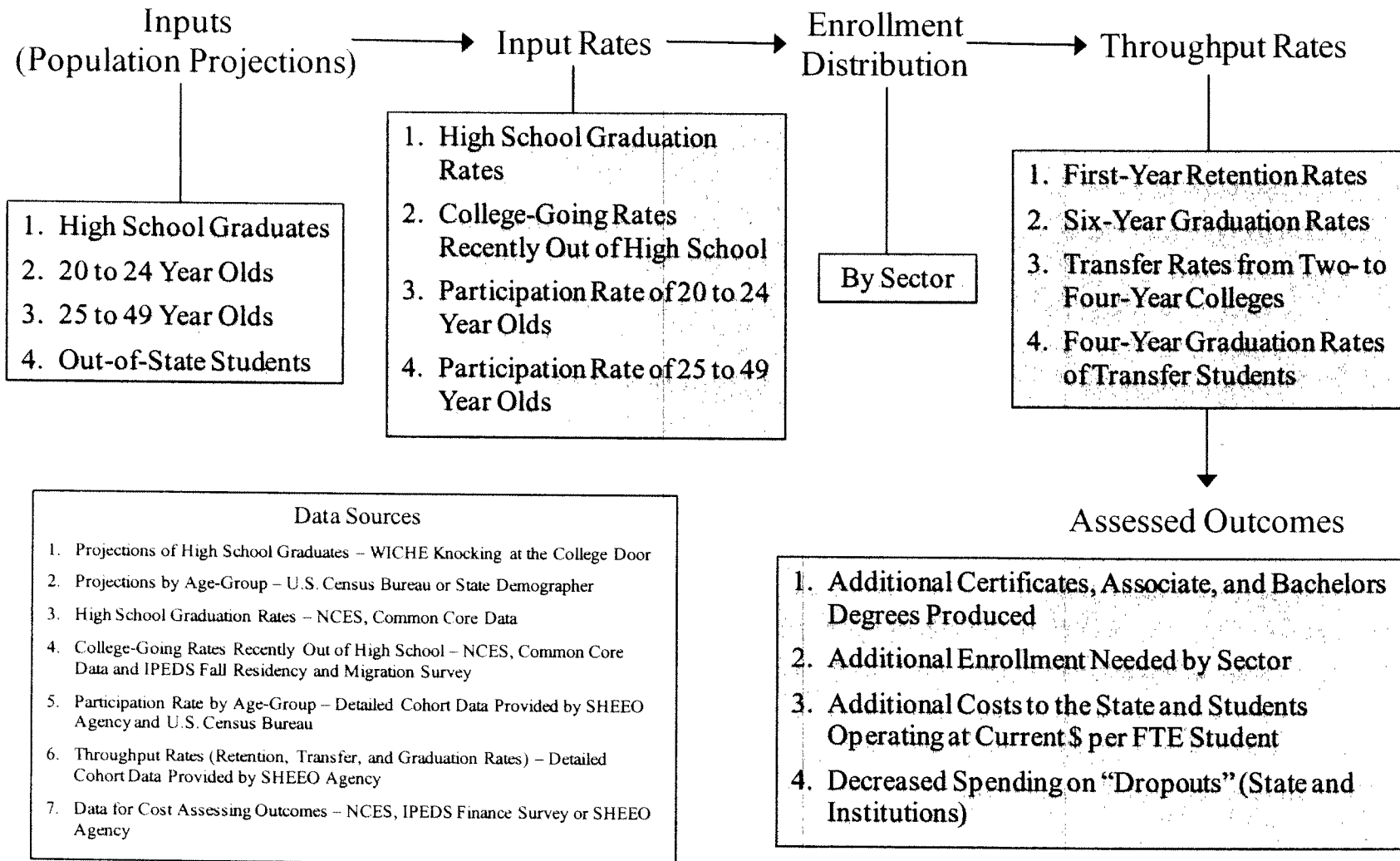
Degree Production Trends in West Virginia

Bachelors Degrees Conferred by West Virginia Public Institutions*													% Change		
Institution	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2009-10%	2006-10%	2000-10%	
Four Year Institutions															
Bluefield State College	187	174	213	181	222	197	204	224	220	207	262	26.6%	28.4%	34.9%	
Concord University	347	370	389	393	372	446	400	398	350	400	336	-16.0%	-16.0%	-3.3%	
Fairmont State University	612	627	685	650	643	624	606	661	671	645	616	-4.5%	1.7%	0.7%	
Glennville State College	212	179	204	206	206	182	200	182	188	174	132	-24.1%	-34.0%	-38.1%	
Marshall University	1,226	1,336	1,383	1,445	1,395	1,487	1,433	1,389	1,450	1,400	1,358	-3.0%	-5.2%	11.4%	
Potomac State College of WVU								2	6	9	11	22.2%	N/A		
Shepherd University	522	508	522	520	562	537	558	589	642	662	687	3.8%	23.1%	34.4%	
West Liberty University	366	442	470	413	415	426	419	374	365	350	336	-4.0%	-19.8%	-7.2%	
West Virginia State University	417	443	421	416	431	438	473	464	442	372	385	3.5%	-18.6%	-8.1%	
West Virginia University	2,823	2,807	2,825	2,950	2,937	3,155	3,372	3,614	3,790	3,892	4,002	2.8%	18.7%	44.0%	
WVU Institute of Technology	280	259	238	266	196	211	264	232	205	140	144	2.9%	-45.5%	-45.2%	
Total	6,992	7,145	7,350	7,440	7,379	7,703	7,929	8,129	8,329	8,251	8,269	0.2%	4.3%	18.3%	
Two Year Institutions															
WVU at Parkersburg	74	76	80	87	83	82	96	149	200	188	200	6.4%	108.3%	170.3%	
Total	74	76	80	87	83	82	96	149	200	188	200	6.4%	108.3%	170.3%	
Grand Total	7,066	7,221	7,430	7,527	7,462	7,785	8,025	8,278	8,529	8,439	8,469	0.4%	5.5%	19.9%	



NCHEMS Detailed Student Flow Model for Public Higher Education

(Measures Used to Project the Impact of Improved Performance by 2025)





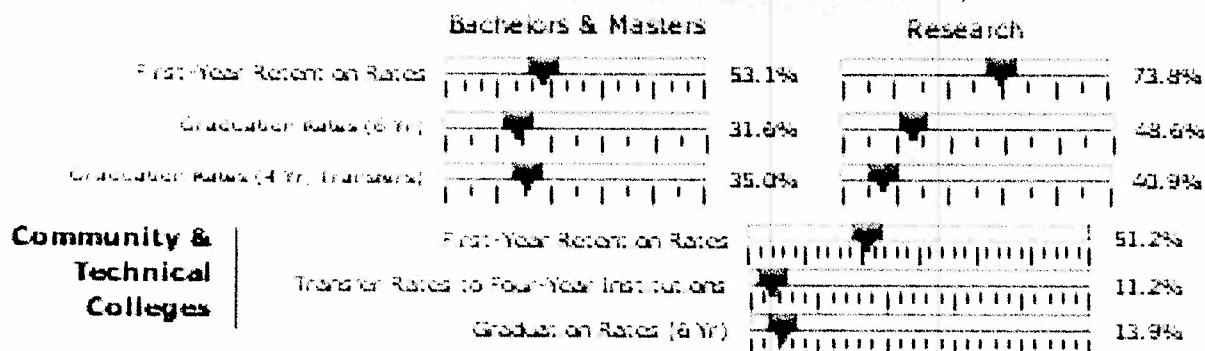
Reset
To Current Values

Meeting College Completion Goals in West Virginia: The Impact of Improved Performance on Workforce Development

Inputs

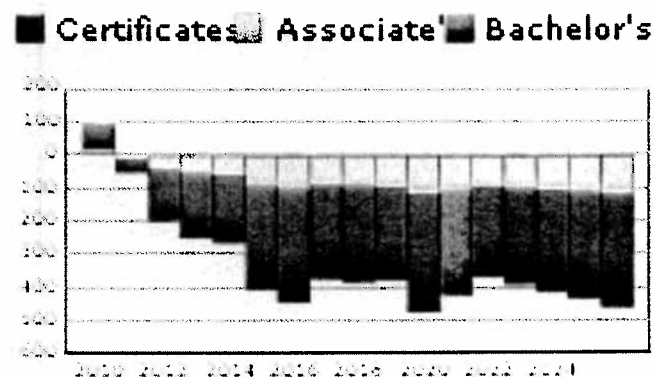


Throughputs (Public Institutions)



Community & Technical Colleges

Additional Credentials Awarded Annually by 2025

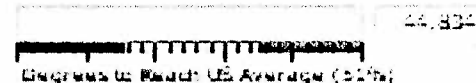


Total Degrees by 2018

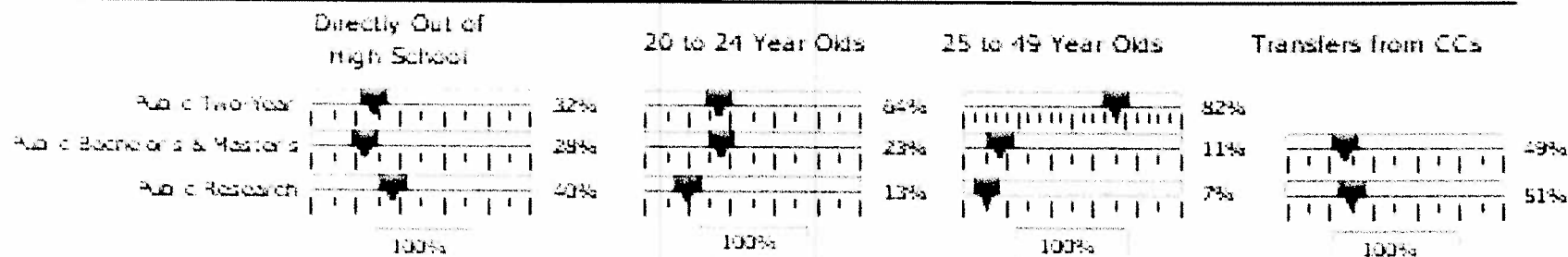
2,679

Total Degrees by 2025

5,659



Enrollment Distribution of First-Time Students



Based on Work by
NGHEMIS

Note: Assumes Linear Progress Towards Goals.

Charting the Future: The 2007-12 Master Plan

Charting the Future establishes a public agenda for how higher education can best serve the needs of West Virginia's citizens. It is built upon civic, corporate and community partnerships and articulates opportunities to develop a workforce that is competitive in the knowledge economy. Areas of emphasis include:

- Access: How can we make college accessible for all West Virginians?
- Cost and Affordability: How can we protect and promote affordability for all West Virginians?
- Learning and Accountability: How can we ensure that more students successfully navigate the educational pipeline?
- Innovation: How can we harness the resources of our institutions to better serve the needs of the citizens of West Virginia?
- Economic Growth: How can we prepare more West Virginians for the knowledge economy and create job opportunities for our citizens?



Issues for Consideration at the Board Level

- Does the institution have clear and transparent accountability metrics for results that are consistent with state and campus goals?
- Are these goals clearly stated, communicated, accompanied by performance metrics, and measured/widely reported at least annually?
- Is performance considered in the resource allocation process – are resources targeted to priorities/highest payoff relative to goal achievement?
- Are investments being made in restructuring curricula, reengineering courses, improving business processes, enhancing support services, and promoting degree completion?



Members

David K. Hendrickson, Chairman

Dr. Bruce Berry, Vice Chairman

Kathy Eddy, Secretary

Bob Brown

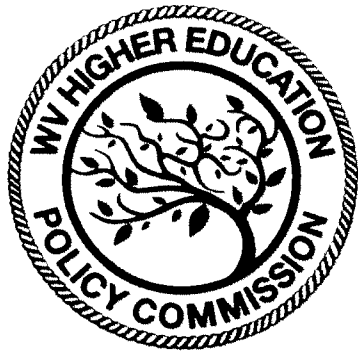
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