

## REPORT OF THE AUGUST 24, 2019 BOARD OF VISITORS ORIENTATION/RETREAT

An orientation session and retreat (all open session) for the Board of Visitors was held on Saturday, August 24, 2019, beginning at 8:45 a.m. at Virginia Tech's Marion duPont Scott Equine Medical Center, 17690 Old Waterford Road, Leesburg, Virginia. There were no action items, and there was no public comment period.

**Board Members Present:** Horacio Valeiras (Rector), Edward Baine, Shelley Barlow, Greta Harris, C. T. Hill, Anna James, Sharon Martin, Melissa Nelson, L. Chris Petersen, Dennis Treacy, Jeff Veatch, Preston White.

**Constituent Representatives Present:** John Ferris, Ryan King, Tamarah Smith, Madelynn Todd.

**Others Present:** President Sands, Kim O'Rourke (Secretary to the Board), Deputy Chief Mac Babb, Richard Blythe, Lori Buchanan, Cyril Clarke, Al Cooper, Karen DePauw, John Dooley, Corey Earles, Juan Espinoza, Kari Evans, Jack Finney, Dee Harris, Luisa Havens-Gerardo, Kay Heidbreder, Elizabeth Hooper, Sharon Kurek, Steve McKnight, April Myers, Mark Owczarski, Patty Perillo, Charlie Phlegar, Dwayne Pinkney, Menah Pratt-Clarke, Julia Ross, Brandy Salmon, Dwight Shelton, Don Taylor, Tracy Vosburgh, Sherwood Wilson, Chris Yianilos.

The orientation session included:

- Introductory comments by Rector Valeiras and President Sands. President Sands presented a brief snapshot of Virginia Tech and top challenges.
- A presentation by Kay Heidbreder, University Legal Counsel, on the legal framework for Board members.
- A presentation by Dwight Shelton, Vice President for Finance and Chief Financial Officer, on higher education funding principles and Virginia Tech's basic funding model.
- An overview presentation on the academic enterprise by Jack Finney, Vice Provost for Academic Affairs.
- A panel discussion with the Board on higher education hot topics with a focus on declining confidence in higher education. The panel consisted of President Sands joined by Dwayne Pinkney, Dwight Shelton, Elizabeth Hooper, Tracy Vosburgh, and Chris Yianilos.
- Review of the Board's fundamental responsibilities to the university by Rector Valeiras.

The retreat began with a presentation by Cyril Clarke, Executive Vice President and Provost, on enrollment management beginning with an explanation of the enrollment cycle, explanation of the causes of the overenrollment for fall 2019 and variation in the yield rates for different disciplines and populations. He was joined by Luisa Havens-Gerardo and Juan Espinoza in responding to questions. The goal of 30,000 students by 2023 is unchanged. The enrollment goal for fall 2020 will not be set until after the census data for fall 2019 is known. Dr. Clarke is creating an Enrollment Management Advisory Committee with representatives from the budget

office, enrollment management, and the colleges, which to inform the model going forward and provide an opportunity to test enrollment management assumptions. John Ferris, president of the Faculty Senate noted that the Faculty Senate looks forward to seeing model data and to the consideration of release time for faculty working on this important initiative. Madelynn Todd raised the concern of undergraduate students about the seeming lack of transparency around the process. Ryan King added that messaging toward graduate students is needed to alleviate concerns that the number of graduate teaching assistants will not keep pace with the undergraduate enrollment growth.

After lunch, Dr. Michael Erskine, Director of the Marion duPont Scott Equine Medical Center, provided a tour of the Center.

The meeting resumed with a presentation by Dwayne Pinkney and Dwight Shelton on the proposed Institutional Performance Partnership Agreement that the university submitted to the state. The state had indicated that they would accept IPPA proposals from only six schools. This document is intended as a starting point for negotiations with the state. If accepted, the Governor may or may not include the IPPA in the Executive Budget; if not, the General Assembly may still take it up. If fully approved through the Appropriations Act, the IPPA would be effective July 1 and subject to renegotiation in four years. If this plan is approved, then the Board would be required to adhere to the agreement with respect to a cap on setting undergraduate in-state tuition.

President Sands then led a discussion with the Board about Virginia Tech in the Washington Metro area joined by Cyril Clarke, Dwayne Pinkney, Dwight Shelton, Richard Blythe, Julia Ross, Karen DePauw, Steve McKnight, Menah Pratt-Clarke, and Brandy Salmon.

Rector Valeiras then called the Board's attention to the summary of the Board self-assessment conducted last spring. Three areas to focus on for the future would be: 1) ensuring that practices are in place to foster inclusion at the board level; 2) ensuring that all perspectives are heard on issues; and 3) developing a process for addressing a planned or unplanned vacancy in the presidency. The last item will be addressed by the Executive Committee in consultation with the President.

The Board then broke out into individual committees so that each committee could plan its agenda for the year.

The retreat ended at 4:55 p.m.

*(Copies of the presentations and reports are filed  
with the permanent minutes and attached.)*

# Snapshot of the State of Virginia Tech

## BOV Orientation

August 24<sup>th</sup>, 2019

**TIM SANDS**  
PRESIDENT



# Beyond Boundaries Themes - A Next-Gen Vision for Virginia Tech

- **VT-shaped experience for all students** - experiential learning; transdisciplinary problem solving; disciplinary depth; Ut Prosim difference.
- **Access and affordability** - broaden and deepen pool of talent; enhance access and pathways; eliminate disparities in student success; ensure affordability.
- **Transdisciplinary research that matters** - organizing around grand challenges; attracting global talent; deep partnerships.
- **Catalyzing economic growth across Virginia** - rural and urban; innovation, translation and commercialization; engagement.

# A New Strategic Plan

*The Virginia Tech Difference - Advancing Beyond Boundaries*

## *Strategic Priorities*

- Advance Regional, National and Global Impact
- Elevate the *Ut Prosim* Difference
- Be a Destination for Talent
- Ensure Institutional Excellence

# Major Beyond Boundaries Initiatives

- *InclusiveVT*
- *Destination Areas and Strategic Growth Areas*
- *Partnership for an Incentive-Based Budget (PIBB)*
- *VTC Health Science and Technology campus in the Roanoke Innovation Corridor*
- *Tech-Talent Pipeline and Innovation Campus*
- *Binary Star - Connecting Blacksburg/Roanoke to the NCR*
- *Agriculture and Natural Resources Initiative*
- *Commonwealth Cyber Initiative*
- *Master Plan*

# Emerging Metrics and Milestones

- Double FY14 endowment by FY22 - **on track at 1.26B (FY19).**
- Increase URM and URM+USS (Pell+1stGen) in entering class (including transfers) to 25% and 40% by Fall 2022 - **15%/35% estimated for Fall 2019.**
- Increase alumni giving participation from 9% in 2014 to 22% in 2022 - **currently 14%.**
- Grow annual fundraising from \$80M in FY15 to \$175M in FY23 - **ahead of pace with \$182M in FY19.**
- Grow undergraduate enrollment from 24,247 in Fall 2014 to 30,000 in Fall 2023 - **ahead of pace with 27,800 in fall 2018.**
- Become a top-10 US public land-grant in THE World (consistent with top 100 global & AAU membership) - **long-term goal; currently tied for #18.**
- Ensure every graduating student will have had a high-impact experiential learning opportunity - **long-term goal.**
- Grow extramural research expenditures by at least 5%/yr from FY14 level (\$291M) - **\$312M in FY18 or 1.7% annual growth rate**
- Achieve competitive faculty salaries - **Moved from 16<sup>th</sup> percentile of SCHEV peers in FY11 to 35<sup>th</sup> in FY18**

# Emerging Challenges

- *Upgrading infrastructure in an increasingly competitive labor and materials environment*
- *Providing needed mental health services as demand escalates*
- *Meeting growing needs for supporting students, faculty and staff with disabilities*
- *Working toward ending sexual violence while OCR guidance is in flux*
- *Ensuring policies, resources and campus climate meet the needs of an increasingly diverse population*
- *Building a modern innovation infrastructure as a talent recruitment and retention strategy*
- *Adjusting to a possible political power shift in Richmond*
- *Preparing for the next recession*
- *Evolving authentic and timely communications for dispersed and diverse Virginia Tech communities and stakeholders*
- *Anticipate and adjust for rapid shifts in the global economic and security situation*
- *Realign graduate education to accommodate rapidly evolving student and employer demand*

## **Freedom of Information Act**

**[https://www.youtube.com/watch?v=50oddl3nUe0  
&feature=youtu.be](https://www.youtube.com/watch?v=50oddl3nUe0&feature=youtu.be)**

# Higher Education Funding Principles Board of Visitors

August 25, 2019

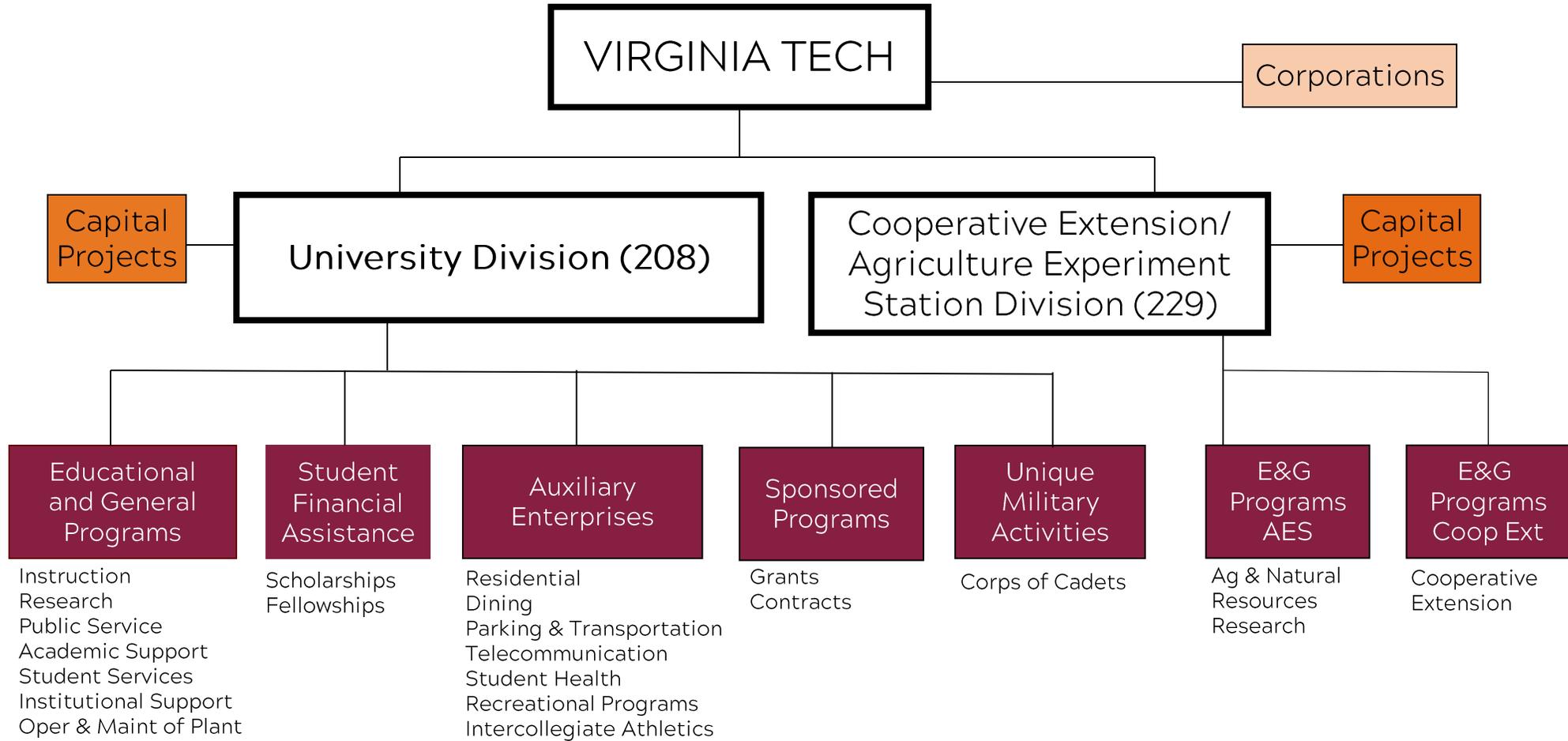
**DWIGHT SHELTON**  
VICE PRESIDENT FOR FINANCE AND CFO



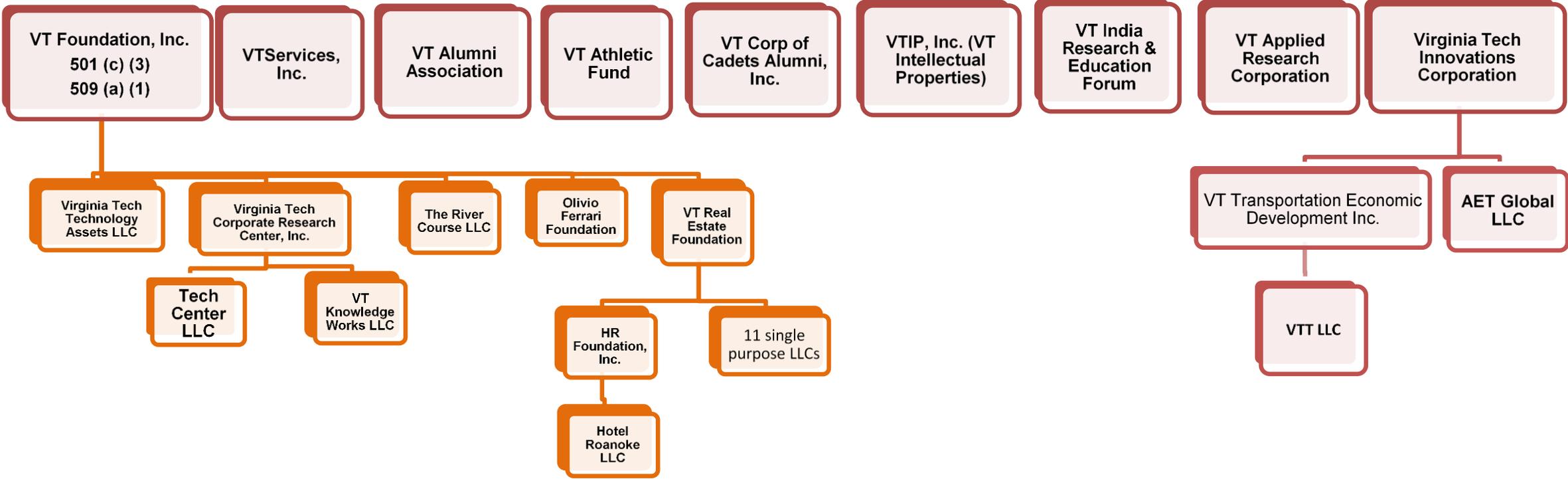
# ***Organizational Structure***



# Program Structure



# University-Related Corporations



# Resource Overview



# Public & Private Resources

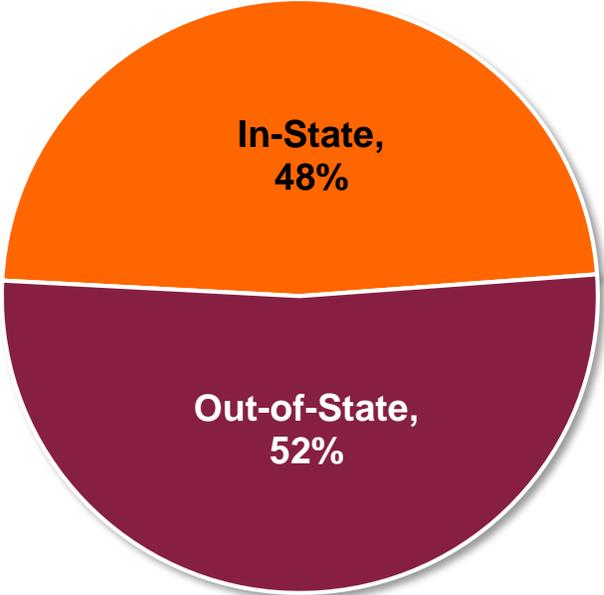
2019-20 Budget (\$ in Millions)

	State	In-State T&F	Out-of-State T&F	Self- Generated	Private	Total
208 E&G	\$184.7	\$268.8	\$309.3	\$46.9		\$809.7
229 E&G	74.1			16.6		90.7
Student Financial Aid	23.5			7.9		31.4
Auxiliary Enterprises		45.8	23.8	294.3		363.9
Sponsored Programs	17.9			337.0		354.9
All Other Programs (UMA)	2.8			7.6		10.4
Subtotal Public Resources	303.0	314.6	333.1	710.3	-	1,661.0
Virginia Tech Foundation					184.5	* 184.5
Other University-Related Entities					28.0	* 28.0
<b>Total</b>	<b>\$303.0</b>	<b>\$314.6</b>	<b>\$333.1</b>	<b>\$710.3</b>	<b>\$212.5</b>	<b>\$1,873.5</b>
<i>% of total</i>	<i>16%</i>	<i>17%</i>	<i>18%</i>	<i>38%</i>	<i>11%</i>	

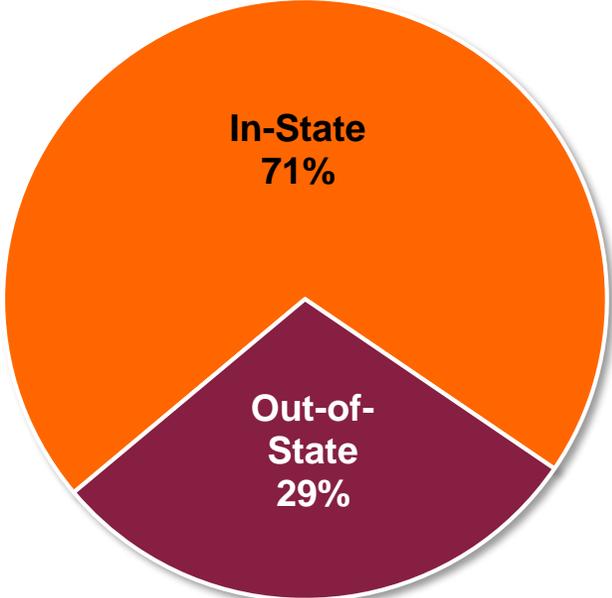
\*estimated

# Undergraduate Tuition Revenue

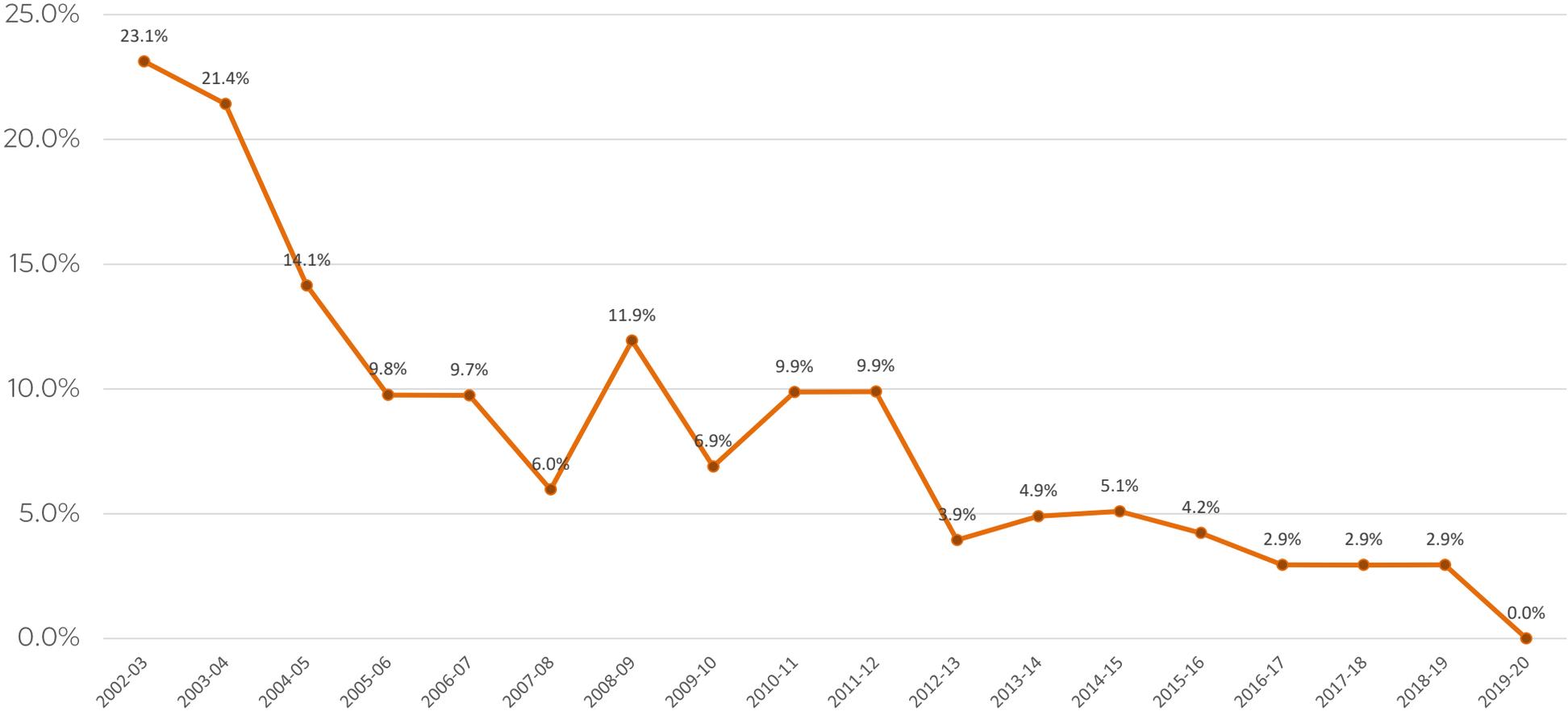
Undergraduate Tuition Revenue  
Fall 2019 Budget



Undergraduate Residency  
Fall 2019 Budget

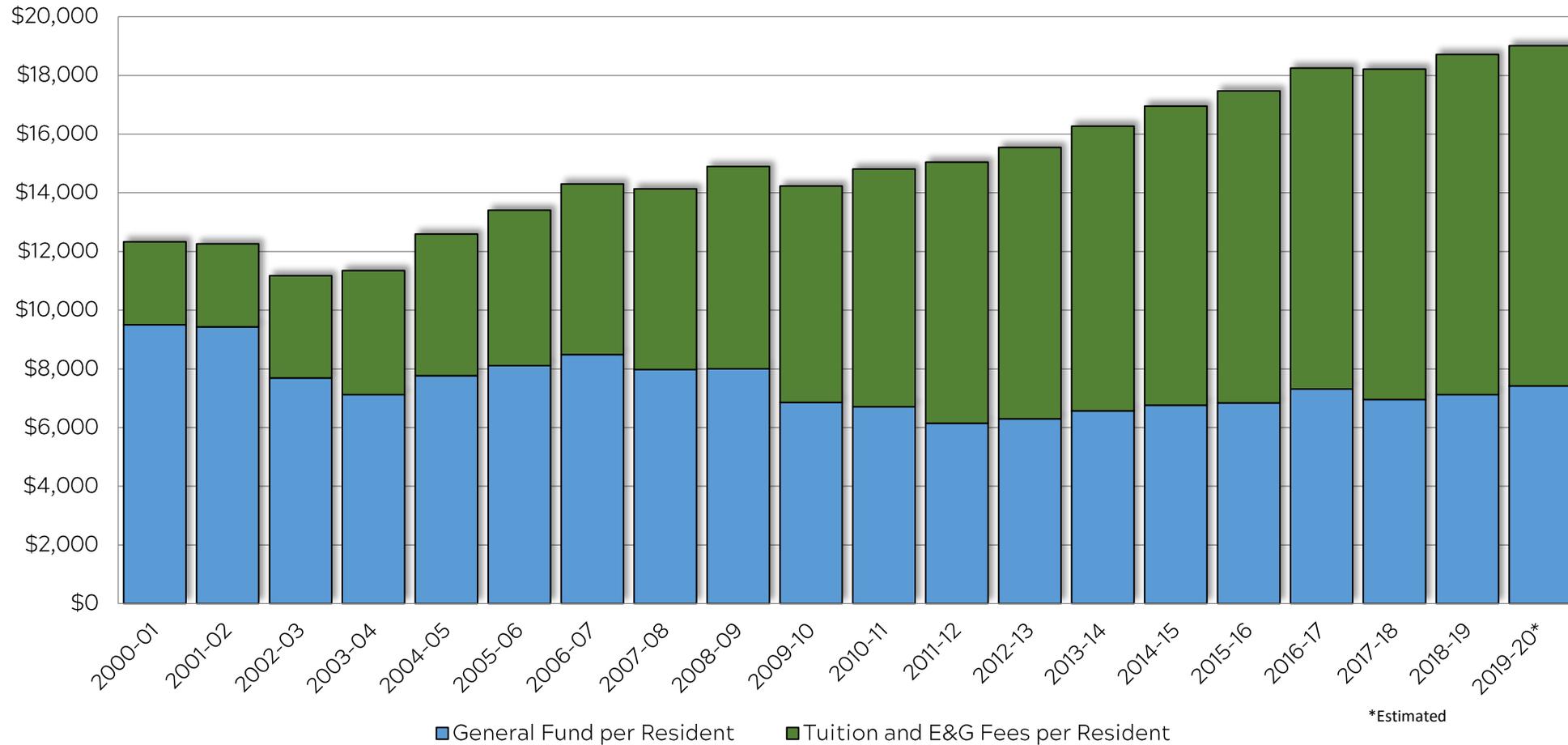


# Virginia Undergraduate Tuition and Fee Increase History



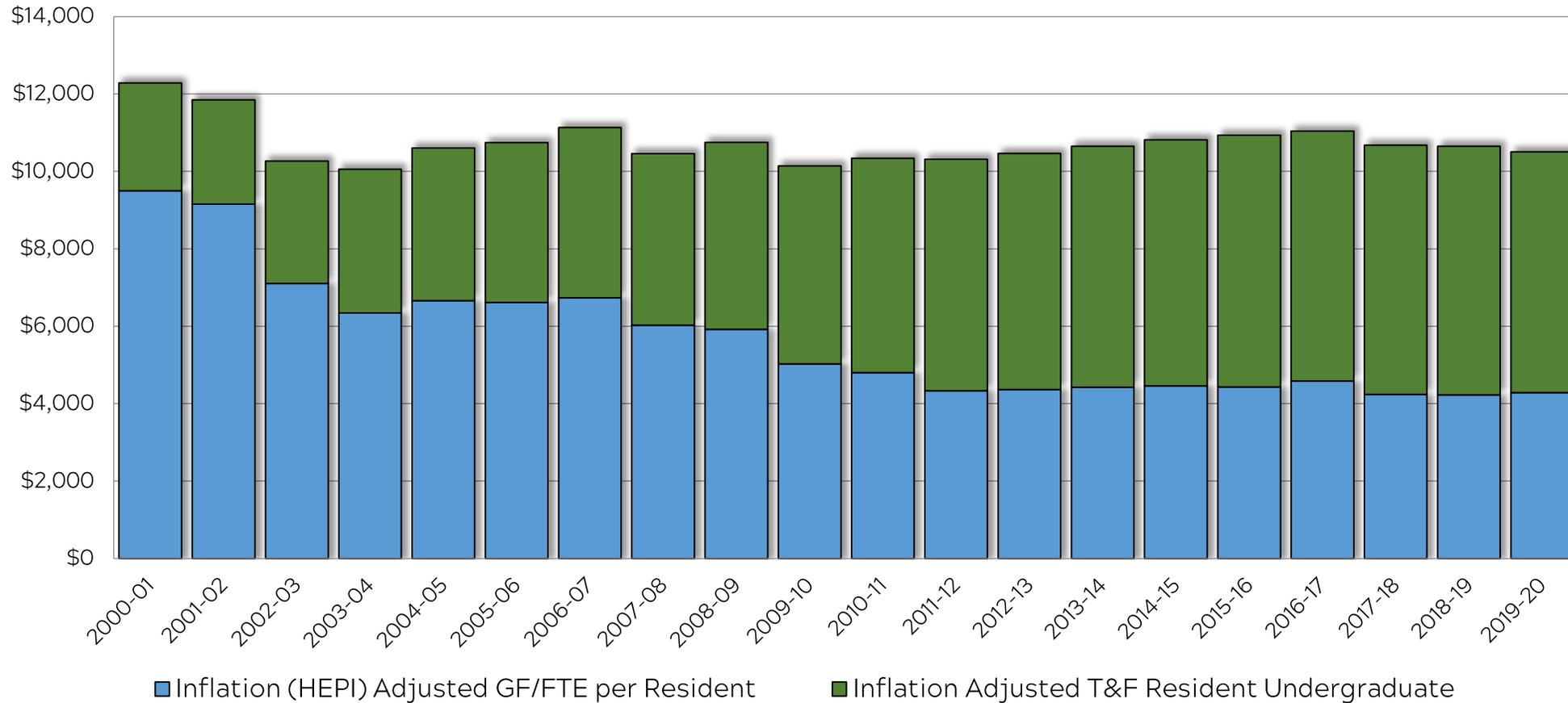
# Resources Per Student

Actual tuition and General Fund per Virginia Undergraduate

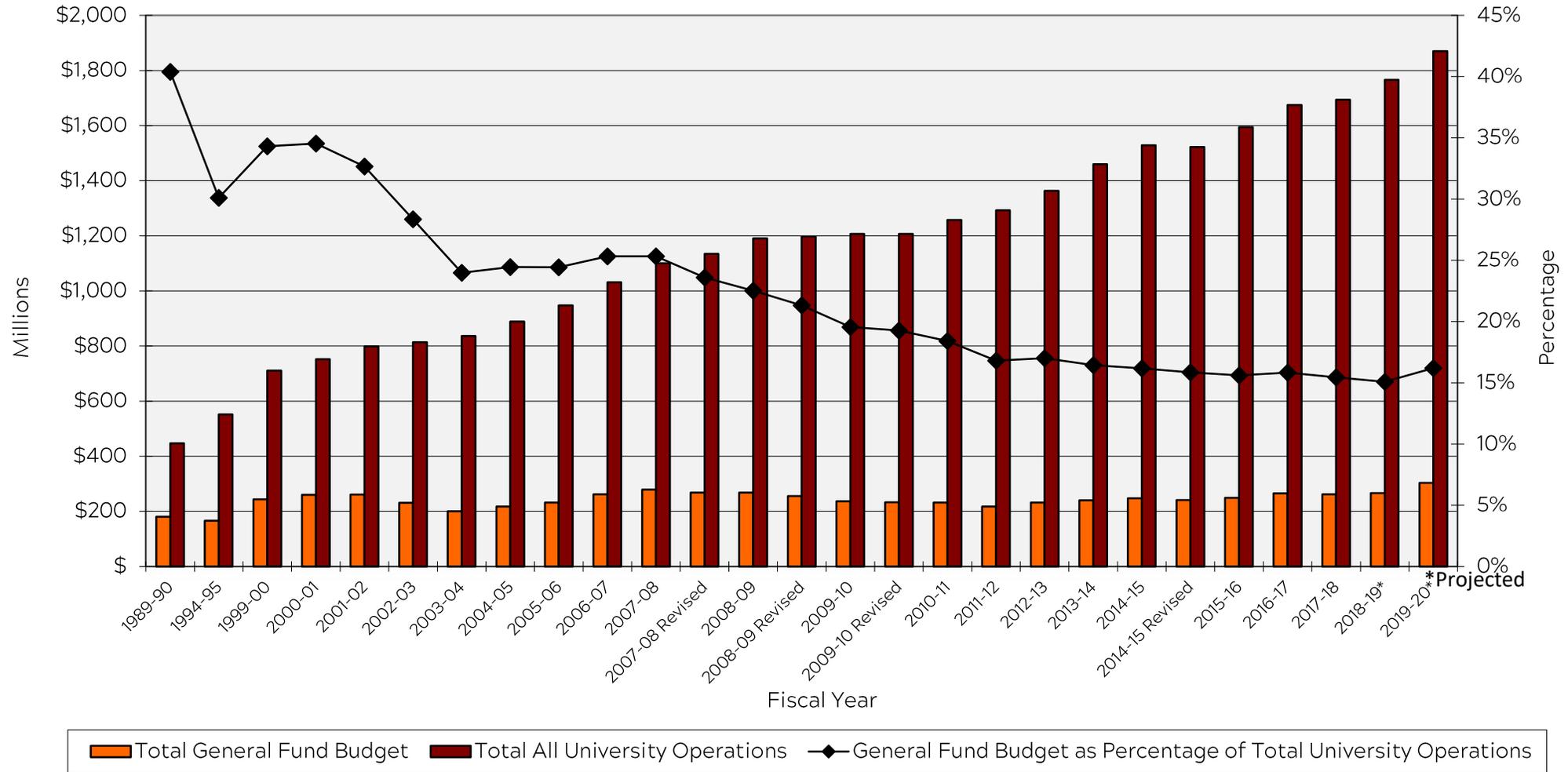


# Resources Per Student - HEPI

*Inflation adjusted tuition and General Fund per Virginia Undergraduate.*  
HEPI - Inflation Adjusted to 2000s

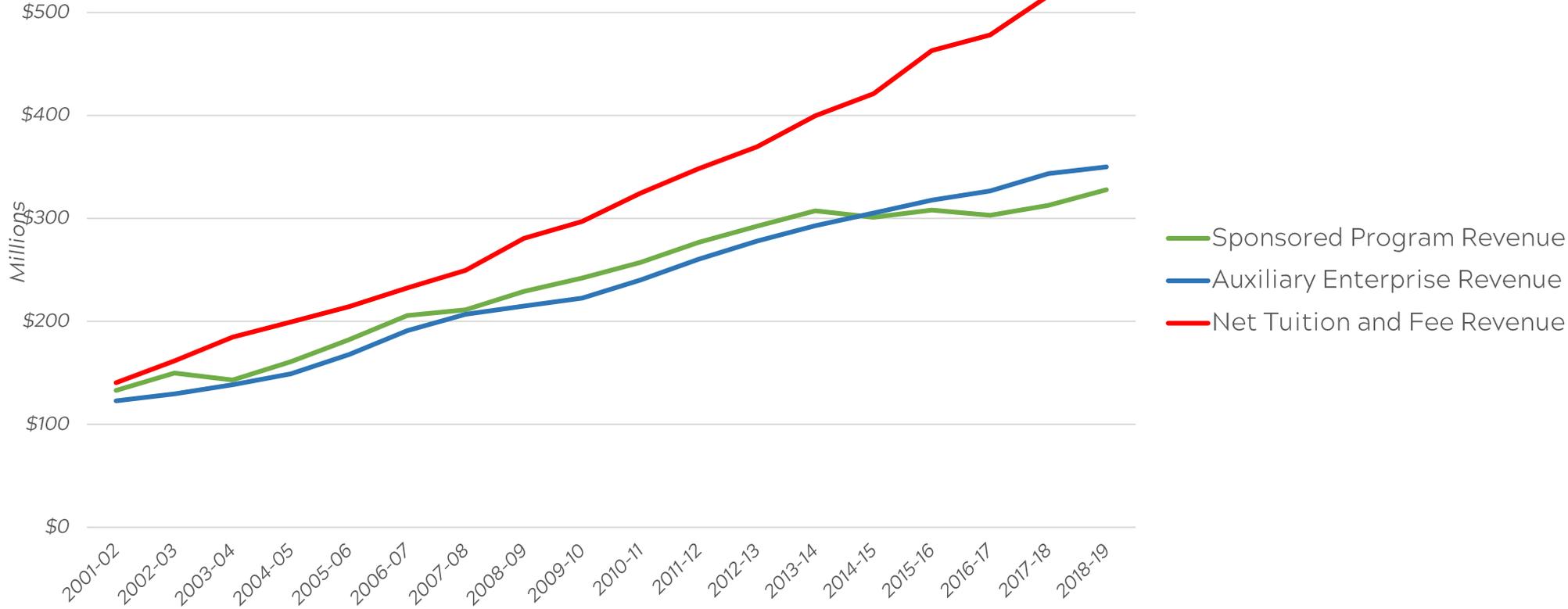


# Historical General Fund Support



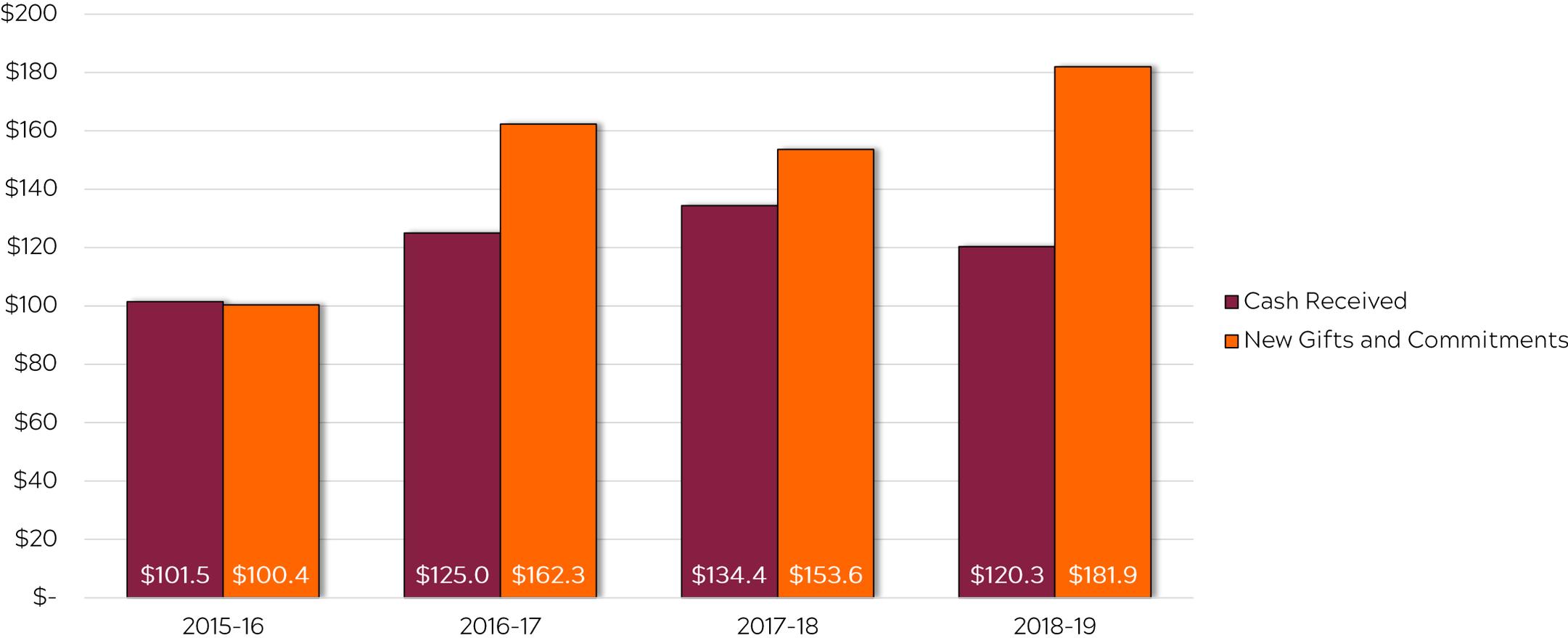
# Major Categories of Self-Generated Revenue

(\$ in Millions)



# New Gifts and Commitments

(\$ in Millions)



# ***Student Financial Aid***



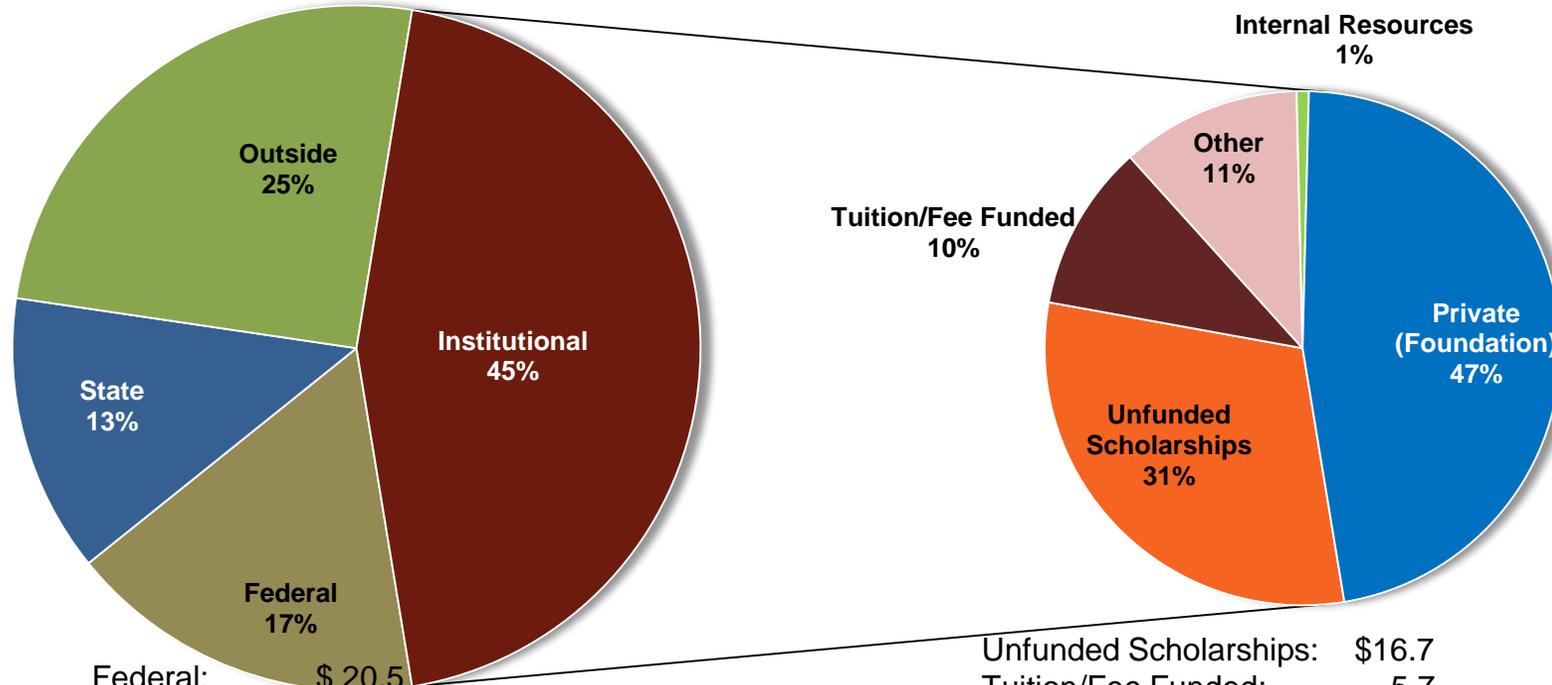
# Student Financial Aid Sources

*\$s in millions*

	2015-16	2016-17	2017-18
<b>Number of Students Receiving Selected Type of Financial Aid</b>			
Loan	12,282	12,430	12,947
Grants, Scholarships & Waivers	18,409	18,746	19,493
Employment Opportunities	10,934	11,201	11,193
<b>Total Dollars by Type of Aid</b>			
Loan	\$ 165.9	\$ 171.4	\$ 181.3
Grants, Scholarships & Waivers	194.8	203.6	215.6
Employment Opportunities	85.5	87.2	89.5
<b>Total Financial Aid</b>	<b>\$ 446.2</b>	<b>\$ 462.2</b>	<b>\$ 486.4</b>

# Undergraduate Grants & Scholarship Sources

Sources of Undergraduate Grants and Scholarships - 2017-18  
(\$ in millions)



Federal:	\$ 20.5
State:	16.1
Institutional:	54.7
Outside:	30.8
<b>Total:</b>	<b>\$ 122.1</b>

Unfunded Scholarships:	\$16.7
Tuition/Fee Funded:	5.7
Internal Resources:	0.4
Other:	6.2
Private (Foundation):	25.7
<b>Total:</b>	<b>\$ 54.7</b>

# *Capital Budget*

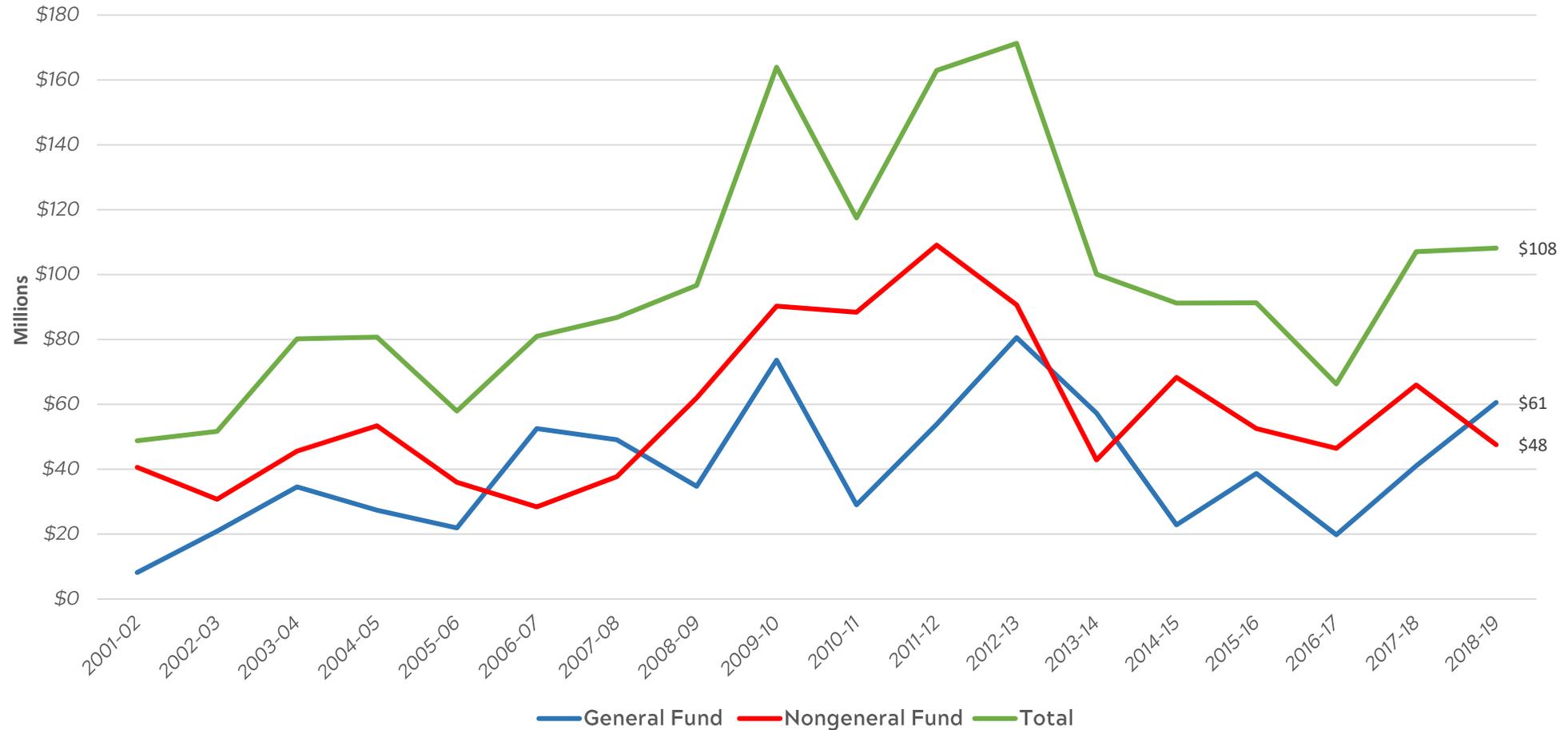
# Capital Program Summary

*\$s in thousands*

	E&G	Auxiliary
Capital Authorization FY20	\$753,364	\$400,428
(less) Expenses as of 6/30/2019	(107,313)	(86,542)
Remaining Authorization	646,051	313,886
Annual Budget FY20	(115,860)	(61,717)
Remaining Authorization	\$530,191	\$252,169

# Capital Expenditures by Fund Source

(\$ in Millions)



# *Restructuring*



# Virginia's Restructuring Act

- The *Restructured Higher Education Financial and Operations Act* passed in 2005 significantly changed the State's relationships with higher education institutions
- The 2005 Act covered authorities in these operational areas:
  - Finance and Accounting
  - Human Resources
  - Capital Outlay and Construction
  - Information Technology
  - Procurement and Surplus Property
  - Leasing and Real Estate Management
- 2006 "Management Agreement" formalized relationship between VT and the state

# Virginia's Restructuring Act

- Tiered autonomy - Three levels of autonomy
  - Virginia Tech is a Level III institution, the highest level of autonomy
- Assessment of institutional performance standards
- Related financial incentives:
  - Earned interest on tuition and fees and all other nongeneral fund E&G revenues
  - Automatic re-appropriation of year-end balances
  - Pro rata share of rebates on credit card purchases of \$5,000 or less
  - Rebate of transaction fees paid for sole source procurements

# *Virginia Tech Management Agreement Administrative Authorities Received*

- Finance and Accounting
  - Authority implement own financial management policies and system
  - Operation of independent university accounting system
  - Ability to control and manage moneys generated and received by the university and to retain resulting interest earnings
- Human Resources
  - Ability to develop and implement **new human resources system**
  - Elimination of reporting into state human resources system

# *Virginia Tech Management Agreement Administrative Authorities Received*

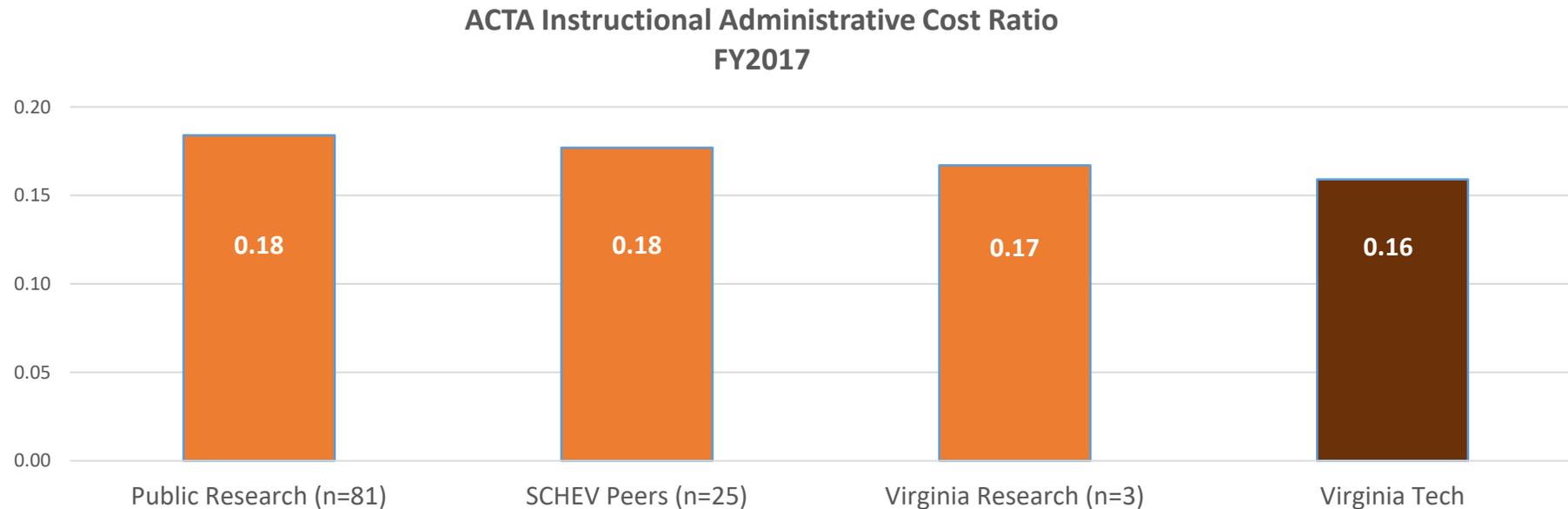
- **Capital Outlay**
  - For general fund projects, use state pre-appropriation process but institutional process for post-appropriation project management
  - Board of Visitors may establish and initiate nongeneral fund projects
  - May designate a Building Official and establish internal review unit
- **Information Technology**
  - Exemption from Virginia Information Technologies Agency (VITA) and Information Technology Investment Board (ITIB)

# *Virginia Tech Management Agreement Administrative Authorities Received*

- Procurement and Surplus Property
  - Substitutes a uniform set of Procurement Rules in lieu of the Virginia Public Procurement Act
  - Authority to operate a separate automated procurement system
  - Allows institution to retain all proceeds from the sale of recycling and surplus property
- Leasing and Real Estate Management
  - Enter into an operating/income lease or capital lease
  - Grant or convey easements on any land owned/controlled by institution
  - Acquire easements across non-institution land

# Administrative Efficiency

- 2017 methodology from the *American Council of Trustees and Alumni (ACTA)* in a published report on administrative spending.
- Using IPEDS data, the study calculates a ratio of **Institutional Support** (*administrative*) spending compared to **Instruction and Academic Support** (*instructional*) spending.
- Virginia Tech's ratio is **0.16**, meaning VT spent \$0.16 on **Institutional Support** for each \$1.00 of spending on **Instruction and Academic Support**. *This ratio is lower than peer averages.*



Data Source: IPEDS

# *Discussion*



# The Academic Enterprise

CYRIL R. CLARKE & JACK W. FINNEY

BOV ORIENTATION SESSION, AUGUST 24, 2019



"Our team serves to promote academic quality and advance the strategic goals of Virginia Tech by providing academic leadership, service, and effective management of university resources."

Dr. Cyril Clarke, Executive Vice President and Provost

- **Academic Colleges**
  - > Agriculture and Life Sciences
  - > Architecture and Urban Studies
  - > Business
  - > Engineering
  - > Liberal Arts and Human Sciences
  - > Natural Resources and Environment
  - > Science
  - > Veterinary Medicine
  - > Virginia Tech Carilion School of Medicine
- **Honors College**
- **University Libraries**
- **Moss Arts Center**
- **Academic Vice Presidents**
  - > Diversity, Inclusion, and Strategic Affairs
  - > Graduate Education
  - > Health Sciences and Technology
  - > Outreach and International Affairs
  - > National Capital Region
  - > Student Affairs
- **Vice Provosts**
  - > Academic Resource Management
  - > Enrollment Management
  - > Faculty Affairs
  - > Learning Systems Innovation and Effectiveness
  - > Undergraduate Academic Affairs

# The Faculty 2018-19

Categories	Number
Tenured and Tenure-Track Professors	1,496
Non-Tenure-Track Instructional Faculty	452
Research Faculty	668
Administrative and Professional Faculty	1,835
Total Full-Time Faculty	4,451

# Tenure and Continued Appointment

## Tenure

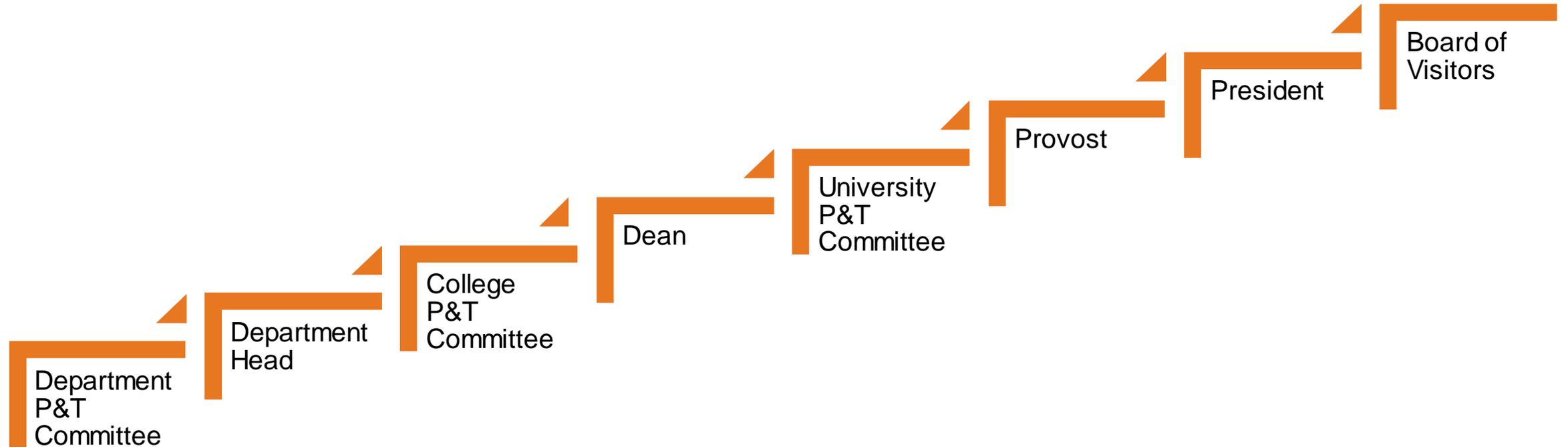
- Tenure is awarded when the community of scholars has judged the candidate to have met the teaching, research, and/or service expectations of the discipline, college, and university.

## Continued Appointment

- Continued appointment is a parallel tenure status for library and extension faculty who demonstrate excellent service to Virginia Tech and continued professional growth and engagement.

Tenure and continued appointment ensure  
**academic freedom** in research and teaching.

# Evaluation Process for Promotion & Tenure



# Research Leaves for Tenured Faculty Members

*“...for research and/or advanced study necessary to enhance the competencies of those faculty members to carry out their obligations to the university.”*

- Commonwealth's *Educational Aid for State Employees*
- At least six years of service
- Additional six years of service before eligible again
- A privilege, not a right
- Approved by department head, dean, and provost
- Approved by Board of Visitors at the March meeting

- **Study-research Leave**

- > Two semesters, half salary

- **Research Assignment**

- > One semester, full salary

**For both:**

- Obligation to return to Virginia Tech for one year or repay salary
- Letter of accomplishments

# Shared Governance

Board of Visitors

President

University Council

Commissions & Committees

*University Council  
Representatives*

Faculty

Staff

Undergraduate students

Graduate students

Administrators

- Commission on Faculty Affairs
- Commission on Staff Policies and Affairs
- Commission on Equal Opportunity and Diversity
- Commission on Outreach and International Affairs
- Commission on Research
- Commission on Graduate and Professional Studies and Policies
- Commission on Administrative and Professional Faculty Affairs
- Commission on Student Affairs
- Commission on Undergraduate Studies and Policies
- Commission on University Support

# Shared Governance

- CURRICULUM



New degrees, substantive changes to degrees, and organizational changes are reviewed and approved by the State Council on Higher Education for Virginia (SCHEV)

# Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)

- SACSCOC is the regional accrediting body for universities in Virginia and 10 other southern states; one of seven regional accrediting bodies.
- Regional accreditation ensures that an institution's academic programs meet acceptable levels of quality.
- Institutions must be accredited by a federally recognized accrediting agency to qualify for participation in federal financial aid programs that provide low cost loans to students.

# Upcoming Accreditation Milestones

## Ten Year Reaffirmation of Accreditation

72 standards (principles) covering 13 topics

September 2020

Compliance certificate to be submitted



November 2020

Off-site Review Committee



March 2021

On-site Review Committee



April 2021

Additional reports may be requested

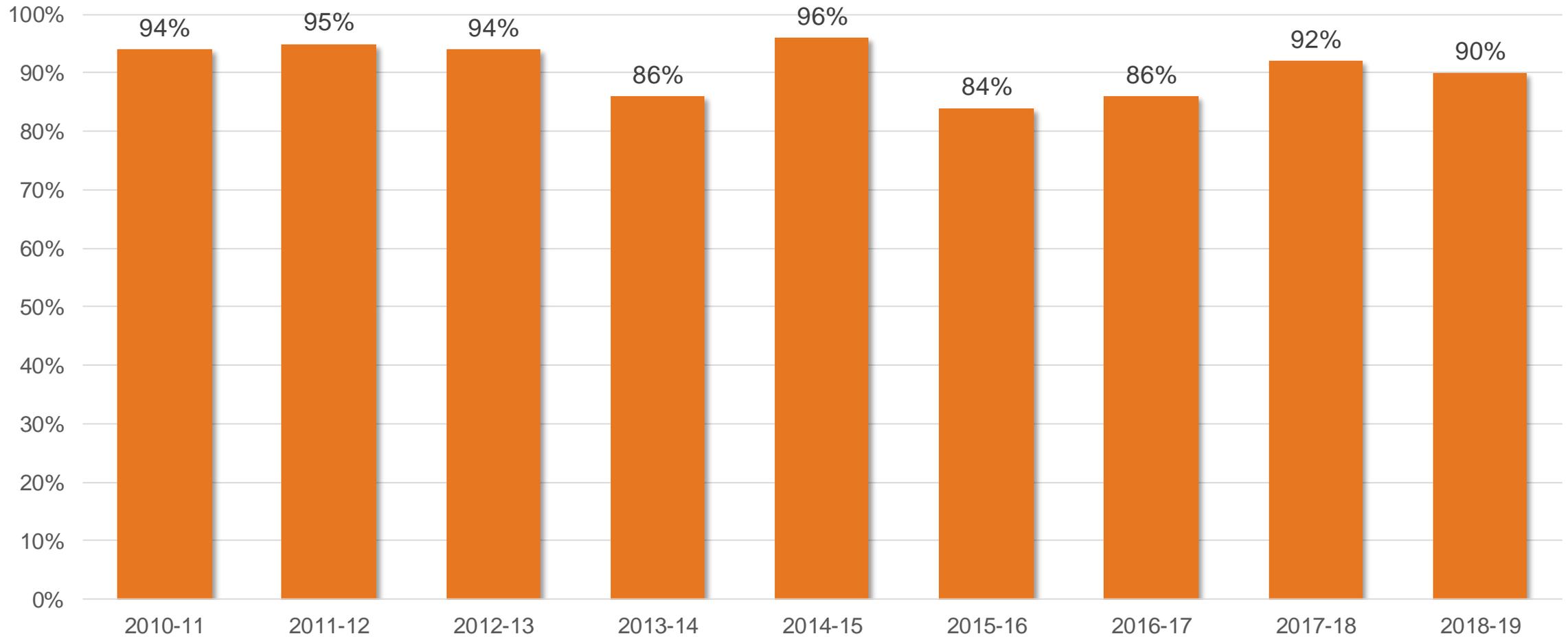


December 2021

Vote on compliance

# Questions?

# Promotion & Tenure Success, 2010-2019



# Hot Topics in Higher Education

## -Discussion Framing- 24Aug19 BOV Orientation

The topics listed below are the most frequently raised in current discussions about higher education at the national level.

- Student debt
- Falling confidence in higher education, especially among Republicans
- Donor influence
- Foreign influence (esp. China)
- Free speech
- Helicopter parents
- Title IX and sexual assault
- Student mental health
- Education vs. skills training
- Race, ethnicity and college admissions
- Threats to the amateur model for college athletics
- Economic inequality at colleges and universities

Links to recent articles in the press on these topics were provided as a resource for the BOV. The topic of falling confidence in higher education was chosen for in-depth discussion by the BOV Retreat Planning Committee.

**Virginia Polling:** In Virginia, the confidence in public higher education remains high, and is shared, with small differences, between Democrats, Republicans and Independents. For example, in a February 2017 poll of Virginians sponsored by Growth4VA, 88% of those polled agreed that public higher education is a valuable public asset and a sound place to invest public dollars. Eight-four percent of Republicans and Independents answered in the affirmative while 94% of Democrats agreed. There is a gap, but not a significant one. The gap was even smaller in response to the question of whether Virginia residents should be proud of their public higher education system, with 93% agreeing with that statement. That said, this confidence may prove fleeting, and it is instructive to look nationally at other public and private universities as well as the national trends.

To focus the conversation on topics relevant to Virginia Tech, let's focus primarily on public research ("R1") universities ("flagships").

In most states, investments in public universities have declined significantly since the Great Recession. In eight states (AL, AZ, IL, LA, NM, OK, PA and SC), that decline has been greater than 30%. Much of the massive disinvestment was opportunistic in that legislatures and governors regard funding of universities to be discretionary because universities can, in principle, replace state support with tuition revenue. But as the economy (and revenues) recovered, why did state support for higher education continue to languish? A partial answer is that other non-discretionary expenditures grew faster

than inflation, so that returning to the level of investment prior to the Great Recession was not possible, even if revenues recovered. Another factor is shifting demographics, with population losses in the Midwest, Northeast and some rural Western states. But what other changes have factored into the continued disinvestment?

**Drivers for Disinvestment Beyond Economic Pressure:** Among the potential drivers for continued disinvestment beyond the general state of the national and state economies are:

- A growing sense, especially among Republicans, that colleges are ideologically biased toward liberal perspectives.
- A view that high student debt levels (aggregated) are driven not by state disinvestment but by wasteful spending (athletics, student amenities, reduced faculty teaching loads, and administrator salaries/bloat).
- An interpretation of the challenging post-recession job market for graduates that blames poor career preparation by colleges, including too much focus on the liberal arts and not enough focus on job-related skills.

**DISCUSSION:** *Do you agree with this assessment? What considerations are missing?*

## State Case Studies

*Alaska:* a Republican governor has just imposed a 41% cut in appropriations for the University of Alaska system. There are indications of ideological motivation, and there is certainly a political motivation in restoring the Alaska Permanent Fund dividend to \$3,000/resident, but Alaska has the third highest [investment level in higher education](#) (\$13,612/FTE compared to \$5,533/FTE in Virginia) and a declining population. These cuts, although draconian, will bring Alaska into the upper middle of the state investment distribution.

*Illinois:* Historically, Illinois has been an outlier among populous states that have invested heavily in higher education. In FY17, that investment level was \$16,055/FTE, second highest behind Wyoming. A dysfunctional populist state government under the pressure of huge pension obligations and a declining population resulted in a failure to pass a budget for more than two years. The University of Illinois campuses at Urbana-Champaign and Chicago were able to weather the storm, although lasting damage may have been inflicted on the regional public universities. The flux of high school graduates out of the state accelerated during the budget impasse, and this seemed to catch the attention of lawmakers as an existential threat to the state. This year, the state is reinvesting in higher education in an effort to retain that talent. The underfunded pensions and the declining population will make it challenging to sustain a recovery in investment.

*Wisconsin:* Between 2013 and 2018, Wisconsin's decline in support for higher education was the fourth largest behind MS, WV and OK. For comparison, the FY17 expenditure per FTE in Wisconsin was \$6,156 – below the national level but ahead of Virginia. Before 2010 and the election of Scott Walker as governor, Wisconsin followed the national trends. As Governor, Walker attempted to weaken tenure, phase out the traditional land-grant mission of the University of Wisconsin, and change language in the mission that

referred to a “search for truth” with “meet the state’s workforce needs.” The recently elected Democratic governor has proposed a substantial reinvestment, but the Republican-controlled legislature has resisted. Although Wisconsin is a state with declining population and the budgetary stresses that go with it, the Walker era may be the most direct lens into the populist perspective on public higher education.

**The Virginia situation:** Note that Virginia has historically been a low-investment/high-tuition state (ranked in the bottom 10 for state support per FTE and top 10 for tuition rates), and as such, there is not as much cushion or leverage for lawmakers or taxpayers. After declining dramatically (roughly a factor of two in per student inflation-adjusted dollars) since 2000, state appropriations leveled off between about 2014 and 2019, and have ticked up for FY20. This uptick is largely a result of the state recognizing the link between economic prosperity and higher education, especially in the digital age. The Tech-Talent Pipeline and the Commonwealth Cyber Initiative are two significant examples, but the state is also investing in programs that produce more health sciences graduates and K-12 teacher talent. These investments contributed to Virginia regaining its status as CNBC’s “Best State for Business” in 2019. And, for the last two years, Virginia has been ranked #1 by SmartAsset for Higher Education. In the 2019 session, the state formally acknowledged the 1:1 relationship between appropriations and tuition increases, and bought down tuition using a formula that reasonably approximated most institutions’ internal calculations. That all 15 public institutions accepted the tuition buy-down is evident that alignment and trust is improving.

That said, the 50(+) experiments running around the country suggest that we should be looking downstream for additional threats that could challenge the confidence of our taxpayers and lawmakers.

***DISCUSSION:*** *What worries you when you look into the future environment for higher education? Impact of a future recession? The evolving and highly polarized political environment? For what possibilities should Virginia Tech be preparing?*

July 22, 2019

## Higher Education Issues Review

**Summary:** Rising student debt and cost is the culprit for much of the doubt in higher education institutions, and a lack of trust has followed. Rising costs have made it less accessible, i.e. less inclusive for many. The skepticism from costs/debt has begun to creep into all higher education activity from who is funding research to how administrators are handling responsibilities (like Title IV investigations).

Another takeaway: with rising costs have come rising expectations, not only to service the needs of students but align with audience/community priorities. A failure to meet these expectations (which vary depending on the group/audience), results in backlash, which may manifest itself with protests when controversial guests visit or when administrators slip up, lawmakers cutting budgets or increasing regulation, and of course a bigger spotlight on where money comes from and how it is spent. However, despite these concerns and skepticism people still want to go to good colleges and a [Forbes](#) contributor says the market for higher education is still stable.

It's also worth highlighting what seems to be a looming mental health crisis in high schools that is carrying over to colleges.

Below are articles published within the last 12 months that highlight the issues that campuses across the country are facing.

1. The eroding of the trust in higher education
  - Pew Research Center - [Most Americans say higher ed is heading in wrong direction, but partisans disagree on why](#) Most Republicans say higher education is headed in the wrong direction. Democrats are more evenly split with more younger Dems saying it's heading in the wrong direction.
  - Gallup - [A crisis in confidence in higher ed](#) "Gallup detected a similar decline in the public's view that higher education is available to those who need it, suggesting that access -- and more specifically, rising costs -- may be affecting the public's view of the industry more generally."
  - Inside Higher Education - [Falling confidence in higher ed](#) "Gallup finds unusually large drop -- primarily but not exclusively among Republicans -- between 2015 and 2018."

- Forbes - [How to fix higher education: Seven keys](#) Highlights faltering trust in institutions, points to a few solutions.
  - National Review - [Higher education — Not on an elevated moral plane after all](#) Short book review of “Cracks in the Ivory Tower” that says the higher-ed system is “full of self-interested actions that waste resources and often interfere with optimal education.”
  - Senator calls to break up the ‘higher education *monopolies*’ ([link](#))
2. Funding model, state support, philanthropy
- Inside Higher Education - [Foreign gifts under scrutiny](#), Education Dive - [Ed Dept, colleges disagree on clarity of foreign gift reporting rules](#) Both articles highlight the Education Dept’s probe ointon a few prominent universities regarding foreign money disclosure.
  - Chronicle of Higher Education - [‘Everybody is panicking’: Thousands of Alaska students scramble with scholarship money in Jeopardy](#) Story highlights Alaska’s budget cuts and how it impacts students. Those who rely on scholarships are devastated they will not be able to attend the upcoming semester, and some are transferring out of state.
  - [Why is there so much Saudi money in American universities?](#) Saudi prince goes on a university and technology company tour, student protests follow.
3. Liberal campuses - speakers not invited to campus.
- Atlantic - [Free speech on campus is doing just fine, thank you](#) ( Written by Lee C. Bollinger, President of Columbia University) “There are more than 4,500 colleges and universities in the United States, and each year they host thousands of speakers of all political stripes. According to FIRE, a watchdog group that focuses on civil liberties in academia, only 11 speakers were disinvented from addressing college audiences in 2018. This is a minuscule fraction of the universe of speakers who express their views annually on American campuses.”
  - Atlantic - [Higher education has become a partisan issue](#) “For many Republicans, mistrust of Democrats and mistrust of institutions collide when it comes to higher education, because they see colleges and universities as having a liberal bent.”
  - Pacific Standard - [A better way of understanding the debate over free speech](#) Chicago University faculty takes a deep dive into the University of Chicago’s ‘Chicago Principles,’ which he says is “a set of very strong positions on free expression that stirred national attention and were quickly adopted by many institutions.”
4. Over “parenting”

- New York Times - [How parents are robbing their children of adulthood](#) “Helicopter parenting, the practice of hovering anxiously near one’s children, monitoring their every activity, is so 20th century. Some affluent mothers and fathers now are more like snowplows: machines chugging ahead, clearing any obstacles in their child’s path to success, so they don’t have to encounter failure, frustration or lost opportunities.”
  - Quartz - [How to helicopter parent the right way](#) “Before you swear off the whole idea of involved childrearing, know this: Recent research suggests that some forms of helicopter parenting *are* effective.”
  - Washington Post - [The college admissions scandal is more proof that helicopter parenting hurts kids](#) “I’m hearing from admissions officers that students are getting to campus and not able to cope,’ said Brennan Barnard, director of college counseling and outreach at the Derryfield School in Manchester, N.H. ‘Mental-health services are exploding on campus. In a lot of ways, that is because parents all of a sudden aren’t there to micromanage.”
5. Title IX, sexual assault and violence management on campuses
- Chronicle of Higher Education - [‘Pass the harasser’ is higher ed’s worst-kept secret. How can colleges stop doing it?](#) “A professor or administrator commits sexual harassment, resigns quietly, and gets a new job at a different institution. This phenomenon, known as “pass the harasser,” is common in academe, and it’s come under increasing scrutiny during the #MeToo movement.“
  - Atlantic - [See the world like a Title IX bureaucrat](#) Article focuses on Princeton’s Title IX missteps and student activists demands to fix it.
  - Chronicle of Higher education - [How 3 colleges changed their sexual-assault practices in response to a national survey](#) Covers proactive approaches Harvard, Tulane, and Iowa State made based on the survey that found “one in four female college-student respondents said they had experienced unwanted sexual contact.”
6. Cost of education, tuition
- Washington Post - [There’s too much emphasis on reducing student loans and not enough on reducing risk](#) ... Written by Beth Akers, senior fellow at the Manhattan Institute. She outlines assistance programs being used on other campuses.
  - Roanoke Times - [Brown: Student loan debt has gotten out of hand and Virginia is no exception](#) Lists Virginia Tech as one of the institutions with an increase in student debt and

points to more work that is needed like: incentivizing companies to offer student loan repayment benefits and state-based student loan programs.

- Forbes - [Senator: Make colleges pay for student loan default](#) Story focuses on a Senator's proposal to make colleges fiscally responsible for defaulted loans since they are partly responsible for student's success/ability to pay. A different senator makes a similar proposal in [NYT story](#).
- Chronicle of Higher Education - [How rising college costs and student debt contribute to a social-mobility 'crisis'](#) "soaring college costs and student-debt levels threaten to further undermine public support of the sector."

## 7. Mental health and well being (student)

- On our campus we have recently seen three different Collegiate Times student stories focused on well being, or lack there of. One focuses on the [Instagram/peer pressure](#) to party and highlights societal problems with alcoholism. Another on how [lonely being a freshman feels](#). And lastly the student who says [Virginia Tech doesn't feel like home](#) for people of color or LGBTQ community.
- Los Angeles Times - [Op-Ed: There's a loneliness crisis on college campuses](#) "I never got the question in my first five years at USC that I now get almost daily from students: "How do I make friends?"
- Chronicle of Higher Education - [Campuses are short on mental-health counselors. But they've got plenty of antidepressants.](#) "A student experiencing symptoms of depression who wants to see a counselor may have to wait weeks. The average wait for a first-time appointment among all college counseling centers is about seven business days, according to a report by the Association for University and College Counseling Center Directors."
- Education Dive - [Districts seek solutions for rising student anxiety](#) With nearly a third of teens suffering from anxiety disorders, highschools are looking for solutions.

## 8. Value of the degree

- CBS News - [Two-thirds of American employees regret their college degrees](#) Student loan debt is the driving issue as to why this is happening. STEM grads are most 'satisfied' and humanities grads the least. Millennials are the most disappointed.
- Education Dive [Survey: Only 22% of Americans say colleges prepare workers for future jobs](#) "Out of the three countries polled by the survey — Canada, the United Kingdom and the U.S. — Americans were the least likely to consider going to school to gain new skills. One reason

behind that, the report suggests, could be that Americans also had the lowest levels of confidence in their country's universities to prepare workers for today's jobs.”

- Gallup - [Can data tell if higher ed is delivering on its promise?](#) Highlights the importance of mentorship which plays a role in higher career well-being for alums.
- Market Watch - [All the ways student debt exacerbates racial inequality — ‘it’s like landing in quick sand’](#) “While a college degree is an investment that pays off, on average, for students of color and black students in particular, the risk that it won’t pay off is much higher.”

9. Admission practices - legacy, “quota” driven for diversity. Moving away from SAT’s, self reporting.

- Pew Research Center - [Most Americans say colleges should not consider race or ethnicity in admissions](#) 73% of Americans say colleges and universities should not consider race or ethnicity when making decisions about student admissions. Most say grades should be most important factor.
- Washington Post - [Study: Universal SAT testing in Virginia would identify more prospective students for major universities](#) Cost of taking SATs makes college less accessible for some, if they were free it could increase the pool of students by 20-40 percent according to study.
- New York Times - [SAT’s new ‘adversity score’ will take students’ hardships into account](#) “Mr. Coleman said the tool ignored race because its premise was that race was less of a predictor of success at school than what he called resourcefulness. “It turns out in America that within every racial group — Asian, white, black, Latino — there are large numbers of people who show resourcefulness within very limited circumstances,” he said.”
- U.S. News - [Test-only admissions would make colleges more white, more wealthy](#) “The experiment showed that a test-only admissions policy would increase the share of white students at top colleges from 66% to 75%, and the combined share of black and Latino students would decrease from 19% to 11%. The share of Asian students would fall slightly, from 11% to 10%.”

10. Cultural centers and student services extravagant spending on out of classroom programming.

- Roanoke Times - [Segregation is the new tolerance? College offers 10 ethnically-divided graduations](#) “The school exemplifies a relatively recent trend in US higher education in which student identity groups demand and are given their own facilities, programs and (safe) spaces.”

11. Administrative costs and bloat, faculty tenure, faculty salaries

- Chronicle of Higher Education - [‘Better, not bigger’: As private colleges hunger for students, one university slims down](#) “A looming drop-off in high-school graduates and competition from nearby public colleges have many private colleges on edge. While George Washington is perhaps more insulated from the “sustainability question” those changes pose, Green said, it could be making “a very smart chess move”... Meanwhile, the university offered financial aid to more students and added an office to manage enrollment and retention.”
- Chronicle of Higher Education - [Presidential tenures are getting shorter. Why are the payouts so large?](#) "Even if an institution’s academics are fine and its finances are fine, if it has what seems to be really unhealthy governance practices, that can have an impact," Commodore said. "If we want to ensure institutions are healthy, we really have to think seriously about governance and leadership."
- Free-Lance Star - [EDITORIAL: Some state employees are raking in big bucks](#) It highlights how much money state employees are making and ends with this point “Taxpayers and state legislators should remember that the next time they ask for a handout.” Charles Phlegar is among those listed.

## 12. Athletics cost and influence

- USA TODAY - [Athletics cost colleges, students millions](#) “As colleges and students face exploding spending, tuition and student debt, many question all of the money spent on sports.”
- New York Times - [Caught up in the college admissions scandal: Stanford’s Boathouse](#) Operation Varsity Blues exposed a corrupted role sports can play in the admissions process.

## 13. Preparing the next generation for the new economy

- Inside Higher Education - [We need a 'Communiversi'ty' model of public education](#) (written by Kenneth L. Ender former president of William Rainey Harper College in Palatine, Ill.) Highlights open admissions, customized delivery platforms, affordability, continuous enrollment with all programs aligned with work-force needs and information systems.
- Inside Higher Education - [What matters more: Skills or degrees?](#) The skills gap is forcing some employers to no longer require degrees. And the combination of knowledge and skills employers demand may not require a degree.
- CityLab - [How 3 skill sets explain U.S. economic geography](#) “Metro areas in the U.S. with higher cognitive and people skills, versus motor skills, perform better economically and are more resilient during downturns.”

#### 14. Declining demographics

- EdSurge - [Colleges should build online programs, Not new gyms and climbing walls](#) “Informed projections say that American universities have already run out of 18-year-olds to fill the millions of freshmen empty seats in their classrooms”
- Forbes - [The new college enrollment numbers, explained](#) Drops in enrollment for universities has to do with less adults going back to school and stagnant high school graduation numbers. Drops are steeper for community colleges and for-profit institutions. Similar story in [MarketWatch](#).

#### 15. Economic issues/Concerns for Virginia citizens

- Chronicle of Higher Education - [This map paints a grim picture of America's economic divides. Colleges shouldn't run from them.](#) Says shifts will hit hispanic and black communities the hardest and offers book suggestions on this topic.’
- Richmond Times-Dispatch - [James V. Koch column: Economic diversity at Virginia's public universities](#) “Virginia’s public colleges and universities frequently publicize their commitments to diversity and inclusion. However, the institutions have not exhibited similar concern for the creeping economic inequality that has been developing in the student bodies of Virginia’s four-year public colleges and universities.”

#### 16. Elections

- Washington Post - [To unlock the youth vote in 2020, Democrats wage legal fights against GOP-backed voting restrictions](#) “Over the past decade, Republicans in more than a dozen states have tried to limit the kinds of student IDs that can be used at the polls, restricted the number of polling locations on or near college campuses, or gerrymandered political boundaries that divide campuses and dilute the power of student voters, as well as other measures.”

#### 17. Diversity and inclusion

- Campus Technology - [Higher ed 'opportunity gap' continuing to widen](#) Highlights a report that shows “as more students arrive on campus, inequality based on wealth and race has continued to grow”
- Diverse Issues in Higher Education - [Higher ed faces affirmative action, Other equity and diversity issues in courts](#) Law professor says affirmative action is over. And another law professor says, “the picture right now for higher education is probably the most precarious it’s been in a long time. ‘Grim’ is probably too strong a word, but we have entirely entered the age of accountability.”

- National Review - [The diversity distortion](#) Scholar from Georgetown says a focus on hiring women and minorities changes curriculum because you have to add departments/curriculum that appeal to women and minority faculty.
- Inside Higher Education - [The next lawsuits to hit higher education](#) “Study after study shows that student evaluations of teaching contain bias against women and people of color.”
- Gallup [How the college admissions scandal affects diversity & inclusion](#) “Diversity is a need-to-have, Not a nice-to-have”
- Gallup - [Inclusive environments produce attached alumni](#) “Gallup finds that graduates' perception of inclusivity on campus is linked to their attitudes toward their alma mater. “

#### 18. Tech giants a competitor for higher ed?

- Inside Higher Education - [Is Amazon Training Its Workers or Creating a College Alternative?](#) Has three experts weigh in from different industries. They offer nuanced responses but seems to be a question worth asking.
- Inside Higher Education - [Google’s growing IT certificate](#) highlights how many Google’s program has helped and its dedication to diversity through accessibility.
- The Conversation - [What Amazon’s decision to retrain a third of its employees means for the future of work](#) “The role of higher ed, Who should be responsible for ensuring the workforce is prepared for these challenges? Amazon’s answer, essentially, is “we’ll take care of it.” One of the more telling aspects of Amazon’s announcement was that it plans to use its own programs to retrain employees, such as Amazon Technical Academy and Machine Learning University.”

#### 19. China

- Nature - [Diversity and international collaboration should not become casualties of anti-espionage policies](#)
- Bloomberg - [U.S. targeting of Chinese scientists fuels a brain drain](#)
- NPR - [As Scrutiny Of China Grows, Some U.S. Schools Drop A Language Program](#)
- Los Angeles Times - [Trump is cracking down on China. Now UC campuses are paying the price](#)
- Washington Post - [Scrutiny of Chinese American scientists raises fears of ethnic profiling](#)

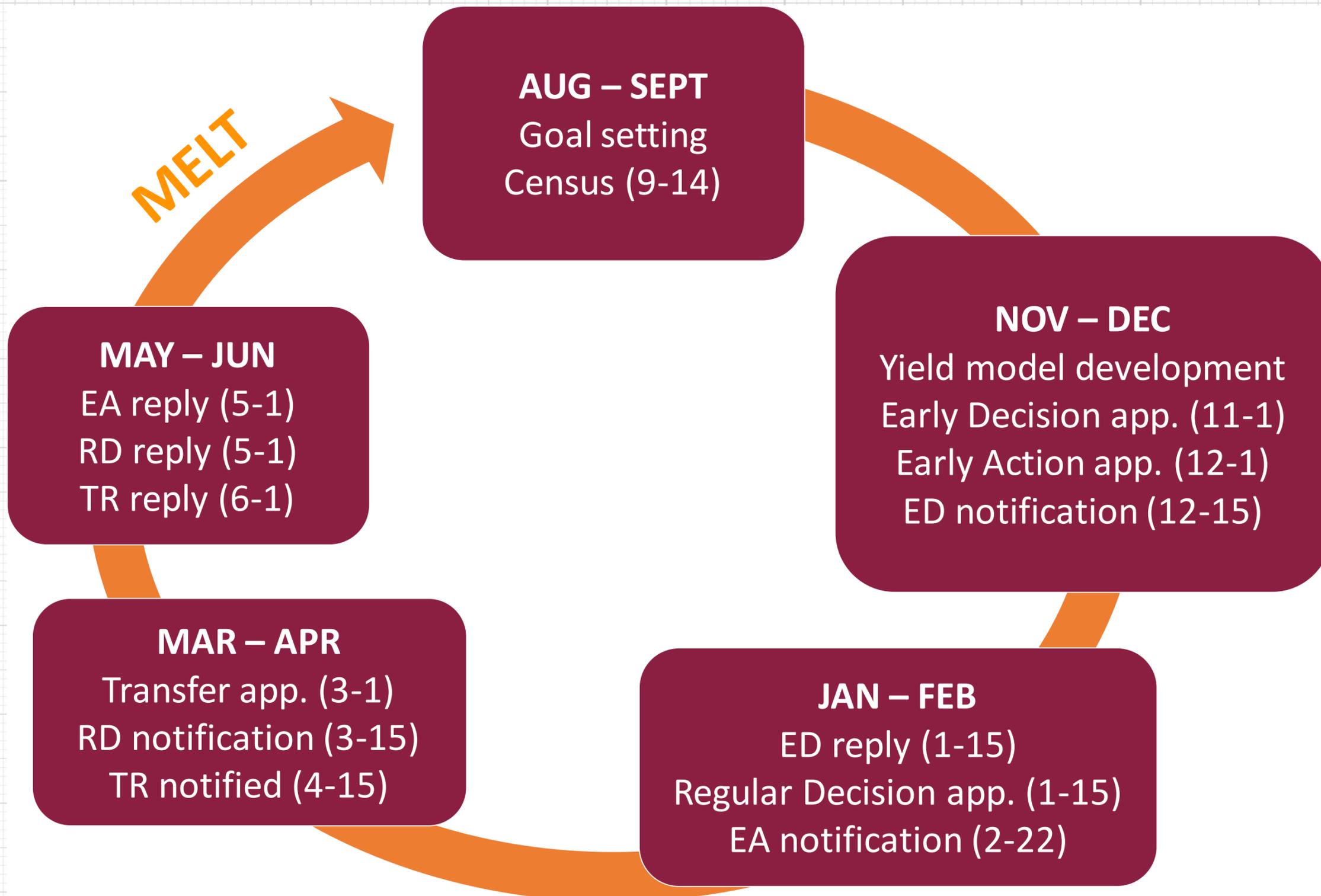
# Enrollment Management

A “Deeper Dive” into the Methodology of Admissions



- Overview of Admissions Process
- 2019 Yield Model and Enrollment Outcomes
- Management of 2020 Enrollment

# Overview of Admissions Cycle



## Goals calibrated to achieve outcomes:

- Academic program capacity and desire to grow
- Strategic priority (CS)
- Diversity (OOS, Int, USS, URM)

# 2019 Yield Model and Enrollment Outcomes

- Detailed offer rates and yield data from 2018 were used to determine offer rates for 2019 by: admission plan; student type; and academic major/college.

	In State		Out of State		International		Total	
	2018	2019	2018	2019	2018	2019	2018	2019
<b>Applicants</b>	15,804	15,754	13,709	13,841	2,614	2,211	32,127	31,806
<b>Offers</b>	9,151	9,778	8,874	10,262	1,929	1,986	19,954	22,026
<b>Accepted</b>	4,311	5,161	1,657	2,198	451	631	6,419	7,990
<b>Yield</b>	47.1%	52.8%	18.7%	21.4%	23.4%	31.8%	32.2%	36.3%

Data compared at May 15 time point

Significant numeric gains in USS-URM and URM students but no progress in proportional representation

	Underserved/ Underrepresented*	% USS/URM of Total	Underrepresented	% URM of Total
2015	2337	32%	882	12%
2016	2,313	33%	948	14%
2017	2,410	31%	959	12%
2018	2,495	34%	1,033	14%
2019**	2,904	32%	1,260	14%
Numeric Change^	567		378	
% Change^	24%		43%	

- Counts represent total freshman and transfers
- \*\* Data as of 08-12-2019
- ^ Change from 2015 to 2019

Strength of the academic profile for incoming students was maintained

	SAT	GPA
2018*	1280	4.07
2019**	1280	4.05

- \* Based on census data
- \*\* Data as of 08-12-2019



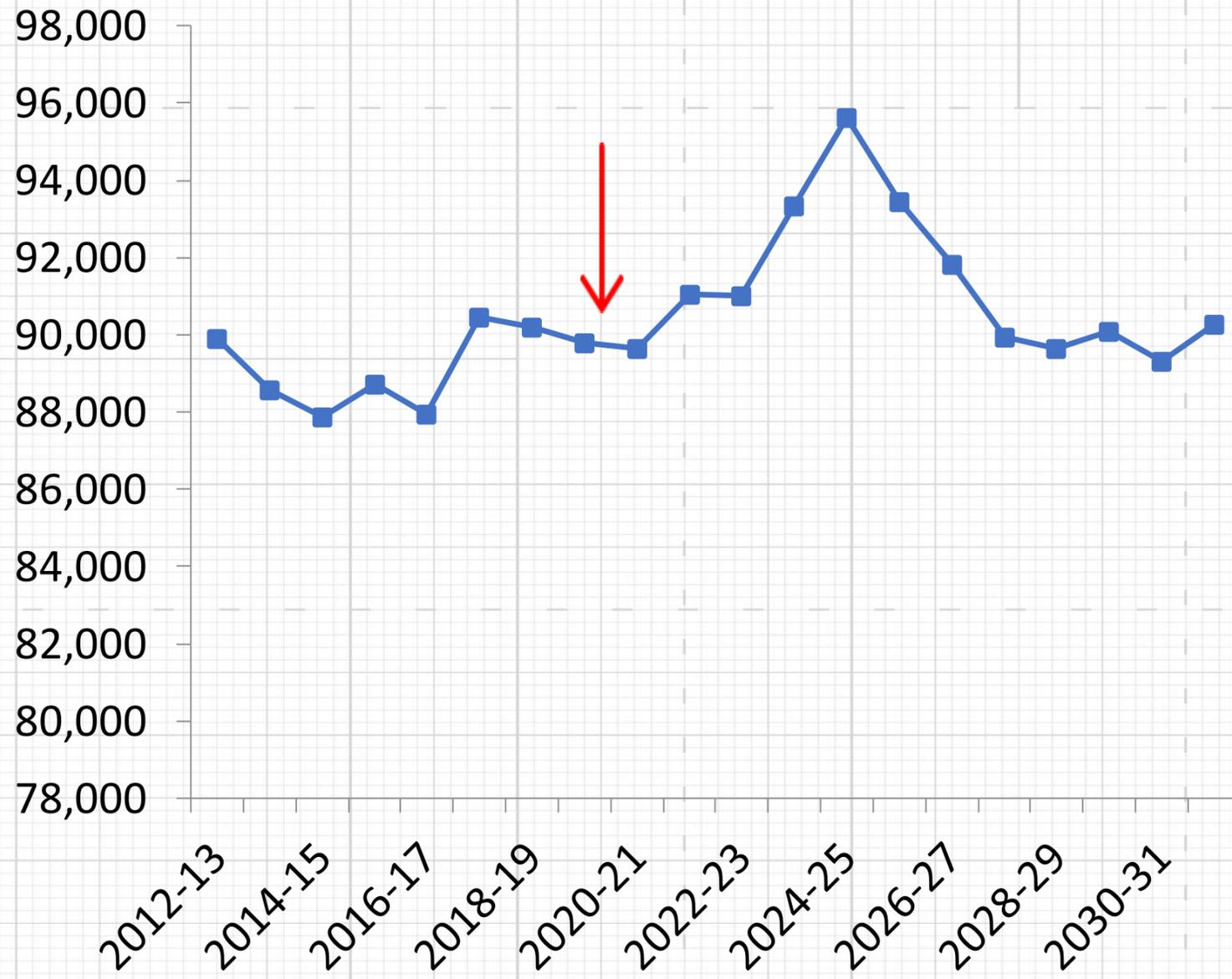
# Management of 2020 Enrollment

- Preliminary goals set by President Sands:
  - Overall undergraduate enrollment at fall census – 29,000 (28,500-29,500)
  - Out of State mix – 29% (28.5-30.0%)
  - USS+URM% (including transfers and excluding international) – > 37%
  - URM% (including transfers and excluding international) – >17%
  - Avg. SAT for first-time full-time freshman – >1300

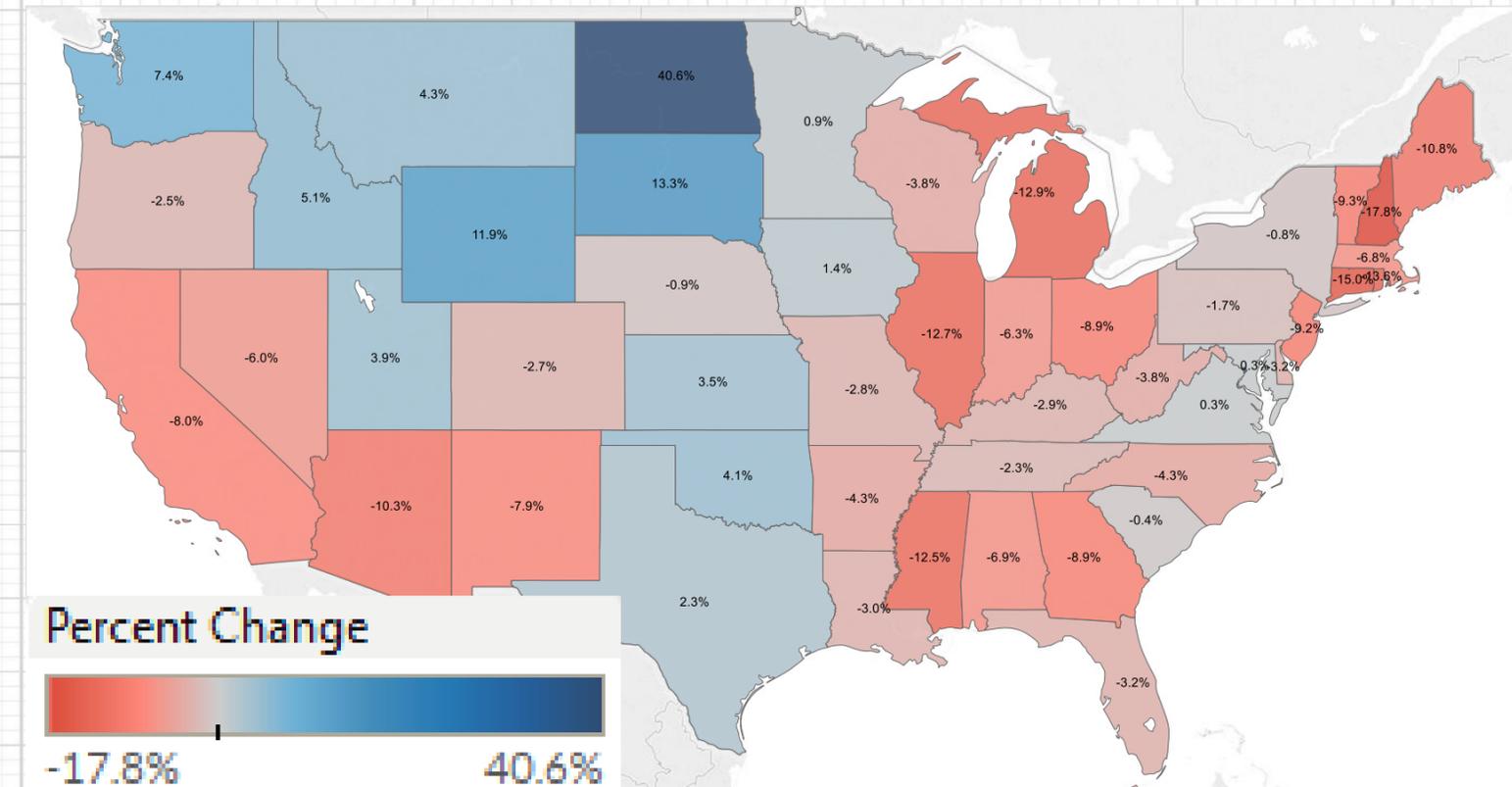
Implicit is alignment of goals with target of 30,000 UG students by 2023.

- Projected number of high school graduates:

### Virginia 2013-32



School Year	Public Schools	Hispanic	White	Black	Amer Ind/AK Nat	Asian Pac-Isl
2019-20	84,855	12,765	48,261	18,605	275	7,301
2024-25	90,659	18,759	49,684	19,493	360	8,636
2029-30	85,461	15,928	47,246	18,007	416	9,067
5 yr Change	6.8%	47.0%	2.9%	4.8%	30.8%	18.3%
10 yr Change	0.7%	24.8%	-2.1%	-3.2%	51.1%	24.2%



- 2020 Strategy:
  - Overall enrollment growth (freshman & transfers) for next 4 years (2020-2023) being updated, taking into account retention and graduation rates
  - Enrollment targets negotiated with colleges to optimize strategic growth, capacity, diversity (Aug/Sept)
  - Predictive yield model will be informed by 2019 cohort data, including:
    - Campus visit and event attendance information
    - Engagement with communications
    - Financial information (EFC, AGI, need profile)
    - Geo-demographic cluster information (College board tagging)
    - Yields for all colleges, per student type (In State, Out of State, and International) and admissions plan (early decision, early action and regular decision)

- Offer rates estimated to achieve enrollment (after melt) outcomes per college, major, admit plan and student type
- Offer rates vetted by the Enrollment Management Advisory Committee with designated college membership
- A waitlist strategy and plan for In State applicants developed for the College of Science, College of Engineering and US/XT majors
- College of Engineering applicants (freshman and transfers) required to identify intended majors on admission application, to address volatility in the model due to yield rates that vary from 17% to 44%

# Discussion & Questions



The Institutional Performance Partnership Agreement is the Commonwealth of Virginia's mechanism to fully leverage the mission of Virginia Tech in support of Commonwealth goals of college affordability, strategic enrollments, and economic growth and development. The strength of the agreement is centered around the principles of transparency, alignment, predictability, and accountability. With the predictability in funding and support from a partnership agreement, Virginia Tech will be positioned to do more relative to its mission of providing a quality, affordable education for Virginia residents in high-demand fields that meet the needs of the Commonwealth. Virginia Tech will continue to pursue innovative research and discovery leading to new technologies with commercial applications that drive the state's economy. This is at the heart of the agreement and at the core of Virginia Tech's mission as the state's research, land-grant university.

The following three sections describe the major components of the agreement and what they mean for the Commonwealth:

### **Keep Virginia Tech Affordable**

The cost of education is a shared responsibility between the state and tuition-paying students and their families. Virginia Tech has a long history of controlling these costs, deploying cost efficiency in its operations, and pursuing modest tuition increases relative to peer institutions. As with all enterprises, higher education costs will increase, at least at the rate of inflation. A goal of the partnership agreement is to provide tuition predictability and recognize the shared responsibility for both students and the state to fund inflationary educational cost increases. The agreement would address this goal in the following way:

- What Virginia Tech will do:
  - Hold in-state undergraduate tuition and fees to no more than 2 percent above inflation in each year of a four-year partnership agreement
  - Further adjust its inflationary and or programmatic increase downward in proportion to any additional investment of E&G funds from the state
  - Maintain current institutional support for financial aid and match any additional support from the Commonwealth
- What the Commonwealth will do:
  - Provide annual inflation adjustment for university's General Fund base operating (E&G) appropriation
  - Buy down (proportionally) any additional tuition increase beyond the inflationary adjustment that the General Assembly deems appropriate in any given year. Potential tuition increase may be bought down to zero.
  - Provide \$1 million in incremental General Fund support each year for need-based student financial aid for Virginia undergraduates.

## **Grow Talent for the Commonwealth's Economy**

Additional resources beyond those to address inflation will be needed to support new and/or expanded programming to meet student and employer demands. The Partnership agreement addresses this need by focusing on the production of talent to support the economic growth and development of the Commonwealth. At the center of this discussion is the recognition that producing graduates will fill the need for talent in high-demand fields currently experiencing vacancies, support job growth, creation, and economic development with the further goal of retaining graduates in the Commonwealth.

- What Virginia Tech will do
  - Strategically grow enrollments in high-demand fields
  - Launch a focused internships program by engaging business, government, and community leaders
  - Increase the number of in state undergraduate students while increasing the proportion of out of state students at a negotiated, annual pace not to exceed 1%
- What the Commonwealth will do
  - Fund enrollment growth of in state undergraduates in high-demand fields
  - Support the internships program
  - Approve an enrollment mix of greater than 29% out of state students

## **Grow Research and Commercialization**

Research universities support and promote economic development in important ways – both direct and indirect. The presence of a research university in a given region is a key indicator of the overall capacity of that region to compete effectively in an increasingly technology-driven global economy. As the Commonwealth's land-grant, research university – engaged in the highest levels of sponsored research as indicated by the Research 1 Carnegie Classification – Virginia Tech is an important strategic asset for the Commonwealth in its goal to strengthen and diversify its economy and make it more resilient to cyclical economic downturns or those related to national political developments. Virginia Tech is growing its research enterprise in Blacksburg, Roanoke, and the Washington metropolitan area. The Institutional Planning Partnership Agreement will facilitate this growth in ways important and strategic.

- What Virginia Tech will do
  - Increase competitive extramural grant and contract funding by more than 5% per year in targeted research areas that are aligned with the greatest opportunity for economic growth and societal impact in the Commonwealth
  - Continue to provide active support for the work of the Virginia Research Investment Committee (VRIC) and participate in its initiatives where Virginia Tech can add value, invest resources, and facilitate collaboration
  - Launch and grow the Commonwealth Cyber Initiative (CCI) translational research to commercialization (TR2C) hub in Northern Virginia and coordinate the

statewide CCI network to focus on emerging cyber-physical system security at the intersection of data, autonomy, and communications

- Serve as a leading contributor to establish one or more additional TR2C's that will support economic diversification and growth through industry-university research partnerships and start-ups in areas aligned with the greatest opportunity for commercialization in the Commonwealth
  - Expand the Fralin Biomedical Research Institute at the VTC Academic Health Center by up to 25 primary research teams; more than doubling the funding for biomedical research and startups in the Roanoke region in the next four years
  - Provide leadership and support to the Valley Innovation Council (VIC), which is serving as a quarterbacking organization for regional economic development and marketing in the Blacksburg-Roanoke-Lynchburg GO Virginia Region 2
  - Create a fully integrated regional innovation ecosystem that leverages Virginia Tech's new Discovery-to-Market platform, entrepreneurial educational programs, VTC startup seed and venture funds, and regional accelerators to increase the number and success of startups from university research
- What the Commonwealth will do
    - Provide \$1 million per year (over four years) in incremental state support for faculty recruitment – to include startup packages to equip research programs and position faculty for success
    - Enable rapid expansion of the Fralin Biomedical Research Institute research activity by providing \$2 million per year over the four-year IPPA period.

The strength of the agreement is its ability to promote alignment, predictability, transparency, and accountability in the partnership between the Commonwealth and Virginia Tech around key deliverables that are directly tied to the land grant mission of the university. The IPPA does not fundamentally change or alter that mission but it undergirds it and strengthens it with the explicit acknowledgment that the work of the university is directly linked to the goals and strategic direction of the Commonwealth. Virginia Tech is proud to present this partnership proposal.



# Institutional Partnership Performance Agreement Update

*DWAYNE PINKNEY, SENIOR VICE PRESIDENT FOR OPERATIONS AND ADMINISTRATION*

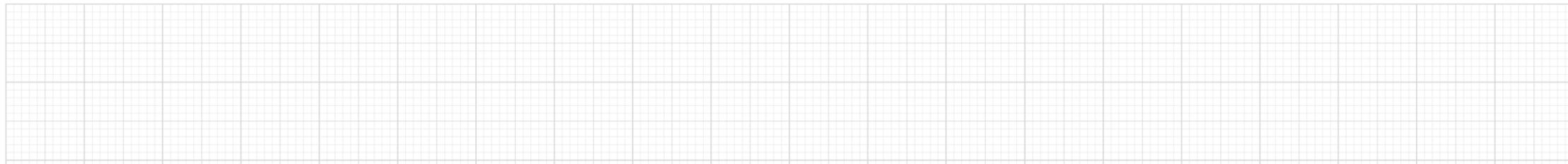
*DWIGHT SHELTON, VICE PRESIDENT FOR FINANCE AND CHIEF FINANCIAL OFFICER*

*AUGUST 25, 2019*



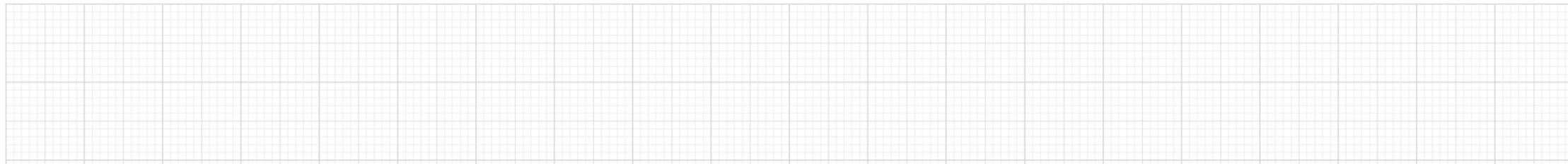
# Institutional Performance Partnership Agreement

- 2019 General Assembly bill (HB2653/SB1628) provides opportunity to submit an Institutional Partnership Performance Agreement (IPPA) as part of the Six-Year Plan.
- Purpose of an IPPA is to formalize state-university partnership in pursuing innovative approaches to achieve mutual goals.
- IPPA based on mutually dependent commitments and accountability between the institution, state, and other partners
- Strength of IPPA is centered around transparency, alignment, and predictability
- Agreement requires evidence of BOV approval, and final approval by the legislature within the state Appropriation Act



# Institutional Performance Partnership Agreement

- Recently adopted Beyond Boundaries strategic plan provides framework for IPPA
- Virginia Tech's strategic focus aligns with the IPPA around the following goals:
  - *Keeping Virginia Tech Affordable*
  - *Developing Talent to Drive Virginia Forward*
  - *Growing Research and Economic Development*
- Provides a roadmap to help focus university efforts to fulfill global land grant mission and enhance value of institution to stakeholders
- Creates strategic alignment between university, Commonwealth, and students/families



# Keeping Virginia Tech AFFORDABLE

## University Commitments

- *Hold in-state undergraduate tuition to no more than 2 percent above inflation*
- *Further reduce in-state undergraduate tuition in proportion to new state support*
- *Maintain current student financial aid and match new state investment*

## Commonwealth Commitments

- *Provide annual inflation adjustment for the University's General Fund (E&G) appropriation*
- *Provide additional General Fund support to further reduce in-state undergraduate tuition increase in any given year*
- *Provide \$1 million in incremental General Fund support each year for student financial aid*

# Developing **TALENT** to Drive Virginia Forward

## University Commitments

- *Deliver an agreed-upon level of in-state enrollment*
- *Recruit additional underserved Virginians*
- *Attract talented nonresident undergraduates into high demand degree programs, growing by no more than 1% per year*
- *Implement a pilot internship program to enhance 'sticky pathways' for students to connect with Virginia employers to support workforce needs*

## Commonwealth Commitments

- *Provide enrollment management flexibility*
- *Support the internships program with \$1 million incremental support per year*
- *Grant increased autonomy over academic site approval to allow for rapid response to market needs in high-demand fields within a dynamic environment (Innovation Campus)*

# *Growing Research and ECONOMIC DEVELOPMENT*

## University Commitments

- *Increase federal and private funding by more than 10% per year in targeted areas*
- *Provide collaborative leadership for strategic statewide, regional, and local initiatives such as:*
  - *Rural Virginia*
  - *Northern VA (Tech Talent Pipeline, CCI)*
  - *Roanoke (Fralin Biomedical Research Institute)*
- *Create integrated innovation ecosystem to leverage VT's entrepreneurial activities to translate research into commercial opportunities*

## Commonwealth Commitments

- *Provide incremental support of \$2 million per year over four-years to enable rapid expansion of Fralin Biomedical Research Institute*
- *Provide incremental support of \$1 million per year to support faculty start-up packages to recruit and retain talented faculty*

# Resource Components

<i>\$s in Millions</i>					
	Self-Generated (Tuition)	General Fund	Per Year Total	Four Year Total	
<b><u>In-state Undergraduate Affordability</u></b>					
Inflationary General Fund Support		\$ 5.3	\$ 5.3	\$ 21.4	<i>Inflation</i>
State Support to hold tuition to 2.9%	(4.6)	4.6	0.0	0.0	
State Support to freeze tuition	(6.7)	6.7	0.0	0.0	<i>Affordability</i>
Need-based Student Financial Aid		1.0	1.0	4.0	<i>Targeted</i>
Subtotal	(11.3)	17.6	6.3	25.4	
<b><u>Talent</u></b>					
Nonresident recruitment (1% mix change per year)	8.8	0.0	8.8	35.1	
(less) Cost of Educating	(5.3)	0.0	(5.3)	(21.3)	
Subtotal	3.5	0.0	3.5	13.8	<i>Quality*</i>
Expanded Internship Program		1.0	1.0	4.0	<i>Targeted</i>
<b><u>Economic Development</u></b>					
Research Support for Roanoke Activities		2.0	2.0	8.0	<i>Targeted</i>
Faculty Start-up Support		1.0	1.0	4.0	<i>Targeted</i>
	(\$ 7.8)	\$ 21.6	\$ 13.8	\$ 55.2	

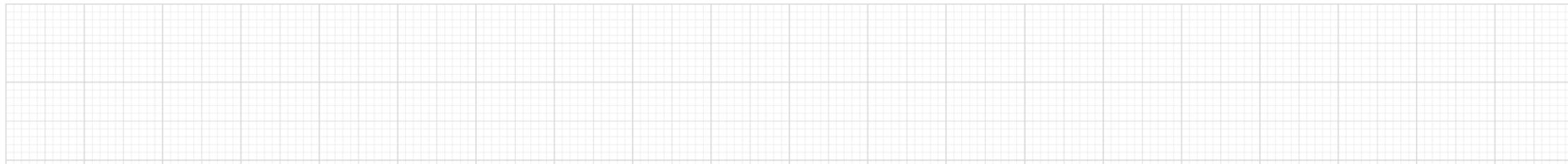
*\*Incremental E&G operating revenue beyond traditional inflationary levels can support quality enhancement, with a priority on Talent (faculty compensation) and Affordability (in-state financial aid).*

# IPPA Development Timeline

- *April 1 - University notice to state of intent to propose IPPA*
- *June 3 - Board of Visitors approves of IPPA strategies*
- *July 1 - Six-Year Plan and IPPA proposal submitted to state*
- *July 24 - VT presented Six-Year Plan and IPPA to state officials*
- *October 15 - recommendations from state reviewers of IPPA*
- *September/October - submission of budget requests for consideration in Governor's Executive Budget*
- *2020 General Assembly Session - IPPA, if accepted, must be incorporated into Appropriation Act to be implemented.*



# Discussion



Virginia Tech Board of Visitors Orientation/Retreat  
Saturday, August 24, 2019

Virginia Tech's Marion duPont Scott Equine Medical Center  
17690 Old Waterford Road, Leesburg, VA

**Northern Virginia Strategy: 10-15 Year Horizon  
Outline for the Hour (2:30-3:30 PM)**

Facilitator: Tim Sands, President

Participating Leaders: Cyril Clarke, EVP and Provost  
Dwayne Pinkney, SVP for Operations and Administration  
Dwight Shelton, VP for Finance and CFO,  
Richard Blythe, CAUS Dean  
Julia Ross, Engineering Dean  
Karen DePauw, VP and Dean for Graduate Education  
Steve McKnight, VP for the NCR  
Menah Pratt-Clarke, VP for Diversity, Inclusion and Strategic Affairs  
Brandy Salmon, AVP for Innovation and Partnerships; Managing Director of the  
Delivery Team for the Innovation Campus

The hour will be devoted to a generative discussion with the BOV of Virginia Tech's long-term strategy in the Washington Metro Area. In concert with our Beyond Boundaries process that began with a long-term vision for the university--establishing a "North Star" to guide subsequent strategic plans--this retreat discussion will focus on possible elements of a long-term vision for Virginia Tech's presence in the Northern Virginia/Washington Metro Area. The time horizon is 10-15 years, after the Innovation Campus is established.

We will begin the first 30 minutes with the question: *"If we are successful beyond our wildest dreams, what will Virginia Tech in the Washington Metro Area have become?"* A related question is: *"How do we define success?"* Conversation threads may pick up themes around new academic programs, the human-centered design of Innovation Districts, the scope of leadership, the student experience (VT-shaped), the role of deep partnerships, the opportunity to grow and diversify our talent pool, life-long learning and reskilling, global engagement, policy, commercialization, P-12, and synergies with the larger university, especially Blacksburg. This portion of the discussion will begin in small groups (4-5) followed by sharing and discussion among the entire BOV.

The second 30 minutes will begin with small group discussions around two additional questions: *"What should we be doing now to increase opportunities to realize the 'wildly successful' scenario?"* and *"What should we not do in order to focus energy and resources on the most desirable long-term outcomes?"* We will wrap up with a discussion engaging the entire BOV.

Proposed Breakout Groups:

Group 1: Long, Baine, Barlow, King  
Group 2: Petersen, Hill, Nelson, Todd  
Group 3: Veatch, Harris, White, Smith  
Group 4: Martin, Treacy, James, Ferris

Rector Valeiras can participate in Group 3 or circulate among the groups.

Participating university leaders will float between groups to serve as resources for the breakout discussions, and they will respond to questions during the discussions involving the entire BOV.

## Board of Visitors Self-Assessment Summary

May 2019

*Respondents: 14 BOV Members, 4 Constituent Representatives; 8 Administrators*

*Note: Italics indicate > 0.2 gap between overall and BOV scores.*

<b>Considered High Priorities: (1=not a priority; 4=high priority)</b>		<b>Overall Score</b>	<b>BOV Score</b>
<b>Item No.</b>			
8.1	<i>Focus more of board's attention on issues of strategic importance to institution.</i>	<b>3.62</b>	3.86
8.3	Improve its meeting practices.	3.42	3.57
8.2	Assess whether the information and data the board receives are adequate, timely, comprehensive, and complete (i.e., representing all perspectives/ aspects).	3.38	3.50
8.7	Contribute financially to the institution.	3.24	3.29
<b>Areas Possibly Needing Attention: (poor=0; excellent=4)</b>		<b>Overall Score</b>	<b>BOV Score</b>
<b>(&lt; 3.0 or at least one response of "fair"; asterisk * indicates at least one "poor" rating)</b>			
<b>Item No.</b>			
2.7*	<i>Has plan/policy to address planned/unplanned departure/absence of president</i>	2.08	<b>1.78</b>
1.6	<i>Uses relevant data to monitor progress on the strategic plan.</i>	2.84	<b>2.62</b>
2.4	Relies on dashboards, metrics, and other meaningful data to inform decisions.	2.64	2.71
1.5*	Seeks out and considers diverse and competing points of view when discussing critical issues.	2.92	2.79
4.1	Monitors educational quality, using trend and comparative data for student learning outcomes, retention and graduation rates, and value of degrees.	2.84	2.85
1.4	Is well informed about higher ed issues and impact on institution	3.09	2.91
4.2	Ensures that the institution maintains high-quality faculty and staff.	3.00	3.00
4.8*	Ensures the institution plays a positive social and economic role in the communities it serves.	2.96	3.00
3.5	<i>Ensures the administration involves the board on high-profile issues that present significant risk to the institution.</i>	3.31	<b>3.07</b>
4.7	Monitors non-college-based or co-curricular activities, such as Corps of Cadets, athletics, residential communities, fraternity and sorority life.	3.08	3.07
4.3	Ensures policies and practices are in place to protect academic freedom and institutional autonomy.	3.08	3.08
5.3*	Receives reports from committees that are succinct, frame productive discussion, and facilitate decision-making.	3.20	3.08
1.7	Oversees the development and implementation of campus-wide strategies to foster a culture of inclusion.	3.23	3.36
2.1	Works with the president and appropriate constituent groups to gain support for institutional goals	3.42	3.36
6.2	Incorporates practices that foster inclusion at the board level.	3.73	3.36
4.4	Reviews the institution's accreditation reports including responses to identified concerns or deficiencies.	3.28	3.50
5.2	Has the right committees and uses them well.	3.42	3.57
4.5	Ensures the institution offers a balanced, high-quality experience to students in both academics and campus life.	3.54	3.64

# Board of Visitors Self-Assessment Summary

May 2019

*Note: Italics indicate > 0.2 gap between overall and BOV scores.*

<b>Highest-rated Items: (poor=0; excellent=4)</b>		<b>Overall</b>	<b>BOV</b>
<b>Item No.</b>		<b>Score</b>	<b>Score</b>
6.5	Speaks with one voice, stands united behind controversial decisions.	3.76	3.79
6.6	Respects the confidentiality of board and committee materials and discussions.	3.81	3.71
5.5	<i>Focuses on board-level work and avoids micro-management of administrative responsibilities.</i>	<b>3.46</b>	3.71
7.1	My time, energy, and expertise are put to good use. (not satisfied=0; extremely satisfied=4)	3.58	3.71
2.5	Approves mutually-agreed-upon goals for the president.	3.62	3.67
4.5	Ensures the institution offers a balanced, high-quality experience to students in both academics and campus life.	3.54	3.64
6.1	Promotes trust among board members through a culture based on openness and respect.	3.73	3.64
6.4	Understands and respects who may speak on behalf of the board or the institution.	3.69	3.64
6.3	Conducts itself in ways that inspire confidence and trust of its constituents.	3.69	3.57
3.4	Holds the administration accountable for enterprise risk management.	3.68	3.54
3.3	Holds administration accountable for safeguarding the university's assets and ensuring resources are utilized efficiently and effectively.	3.60	3.50

## **Most Frequently-Cited Important Challenges:**

Sustainability of the university's funding model; diversification of funding sources; building financial and organizational resilience.

Affordability - managing rising tuition and student debt crisis.

Successful integration of all campuses, maintaining quality and unique culture.

Establishing the Innovation Campus.

Preserving land-grant mission; supporting agricultural and rural constituencies.

Improving the diversity of the university community.

Recruiting and retaining high-quality faculty and students.

Preparing students for real-world jobs; instructional delivery method; degree programs vs. certificate programs.

## **Recurring Themes:**

Restructuring of the Board's committees to better align with the university's priorities and allow more time for substantive discussion was very positive.

Desire to hear unfiltered views and to have more generative discussion focused on discussing the most pressing issues rather than listening to reports.