

Presentation to Senate Finance and Appropriations – Education Subcommittee

A. Scott Fleming
Director, SCHEV
January 14, 2025



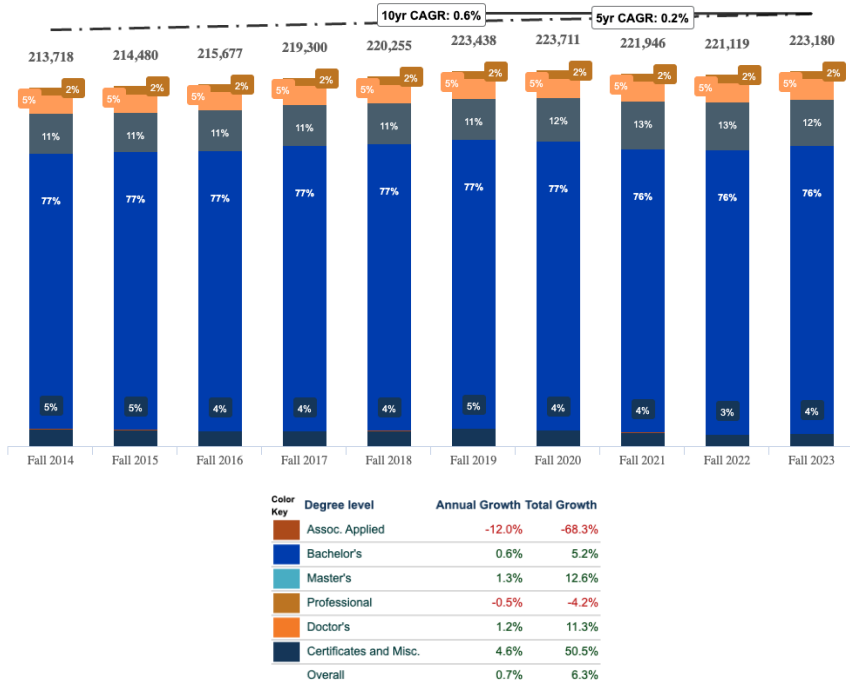
**STATE COUNCIL OF HIGHER
EDUCATION FOR VIRGINIA**

Introduction to the Director

- Prior experience as Senior Education Policy Advisor with the United States Senate Committee on Health, Education, Labor and Pensions
- Managed higher education, student financial aid, accreditation, career and technical education, international education and early education for the Committee
- 20+ years in education in the public and private sectors, including work for government, nonprofit and privately held for-profit organizations
- Joined SCHEV in May of 2024, contracted by Council

The State of Public Higher Education in Virginia

Total Fall Enrollment Headcount by Degree Level

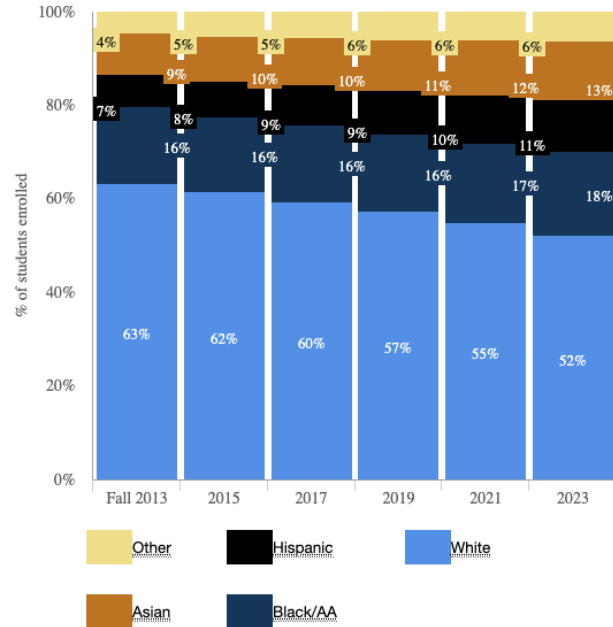


- Total enrollment at VA's public higher education institutions has returned roughly to pre-COVID levels
- Expanded enrollment of Black, Hispanic and Asian students has resulted in favorable enrollment growth
- National demographic projections are unfavorable for future undergraduate enrollment
- Virginia has some reasons for optimism, but will encounter comparable headwinds

Enrollment, Close Up

Proportion of Undergraduate Students

By race/ethnicity³



- Minority undergraduate enrollment has grown steadily over past 10 years
- More students of color enrolled in undergraduate program in the 2023-2024 academic year than ever (178,104)
- Retention and graduation rates still trail white peers, but many success stories
- Pell Initiative for Virginia should continue to favorably impact these trends as work continues

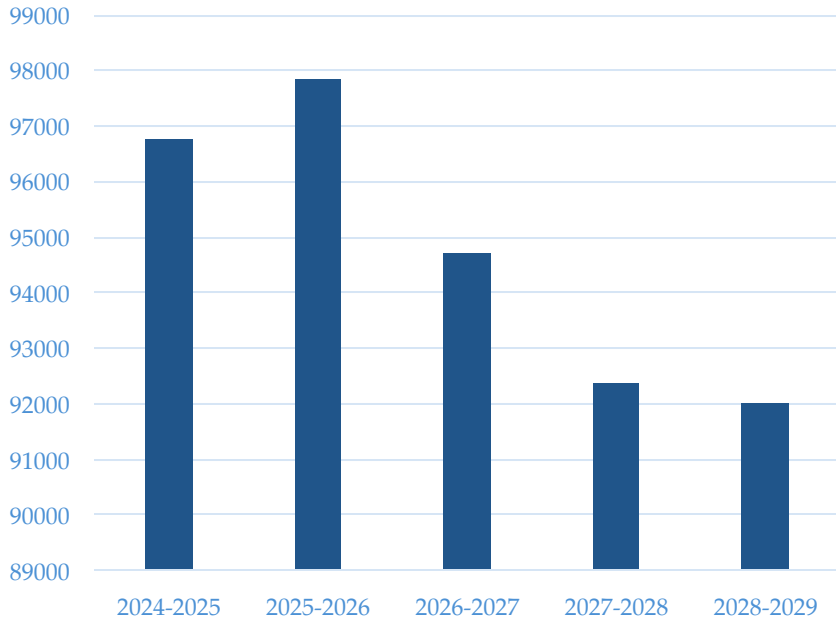
Data on Completions/Awards

Completions Summary											
Grand Total, All Reporting Institutions, All Students											
Academic Year	Awards less one year	Awards >=1 YR & <2 YR	Assoc.	Awards >2 YR & <4 YR	Bachelors	Post Bacc.	First Prof.	Masters	Post Master	Doctorate	Total
Grand Total, All Institutions											
2013-14	5,830	7,378	19,359	34	50,929	1,813	3,228	21,116	254	2,972	112,967
2014-15	6,301	7,282	19,766	43	52,484	2,147	3,270	21,224	303	2,757	115,577
2015-16	6,941	8,363	20,506	58	54,461	2,118	3,130	21,296	266	2,795	119,934
2016-17	6,984	7,785	19,837	56	54,539	2,321	3,098	21,153	267	2,887	118,927
2017-18	7,731	7,279	19,535	37	55,021	2,296	3,113	21,849	193	3,003	120,057
2018-19	7,965	7,397	19,191	37	56,483	2,388	3,228	22,174	193	3,111	122,167
2019-20	7,249	6,949	18,915	25	56,766	2,527	3,334	23,403	200	3,501	122,869
2020-21	6,814	7,219	19,988	52	58,587	2,856	3,319	24,138	257	3,818	127,048
2021-22	8,188	7,749	19,341	51	56,396	3,907	3,283	24,763	250	4,692	128,620
2022-23	8,826	5,078	19,389	64	57,562	4,427	3,189	25,787	242	5,336	129,900
2023-24	10,294	5,578	19,555	67	57,562	4,565	3,196	25,066	255	6,149	132,287

- Total number of awarded credentials continues to increase
- Fastest growing category is less than one-year certificates (63% growth)
- Undergraduate degree awards have increased by 9.7% over the same period
- Masters degrees have increased by 18%
- First professional degrees have fallen slightly (2.2% decline)

Enrollment Trends, National and Virginia

Virginia Grade 12 Enrollment - Projected



Source: Weldon-Cooper Center

- In-state K-12 enrollment reflects national trend of declining number of graduating seniors
- Five-year public enrollment projected to decline by 5.95% from 2025-26 SY highs
- Further declines over longer term period are also likely
- Notably, these data exclude out-of-state, international, and home school student populations

Opportunities and Reasons for Concern

EDUCATION

A looming 'demographic cliff': Fewer college students and ultimately fewer graduates

JANUARY 8, 2025 · 5:00 AM ET

By Jon Marcus

FROM HECHINGER REPORT

The Cliffs Of Higher Ed: Who's Going Over And Why?

David Rosowsky Contributor ◉
I write about higher ed issues, leadership, finance, and innovation.

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Feb 3, 2024, 01:34pm EST

Navigating the Enrollment Cliff in Higher Education

Anthony Schuette
June 2023

Looming Enrollment Cliff Poses Serious Threat to Colleges

The enrollment cliff poses a Darwinian threat to higher education, allowing only the wealthiest and market savviest to survive.



By Mark J. Drozdowski, Ed.D.

Updated on January 27, 2023

Edited by Darlene Earnest. Learn more about our editorial process.

Enrichment → Education

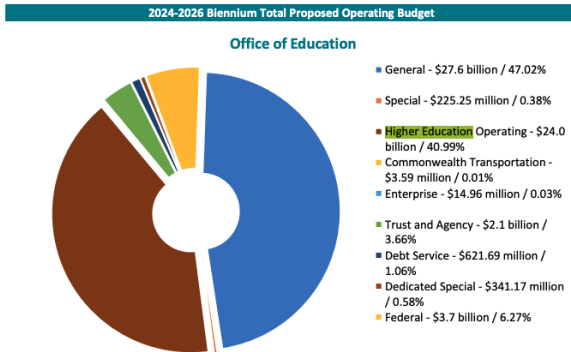
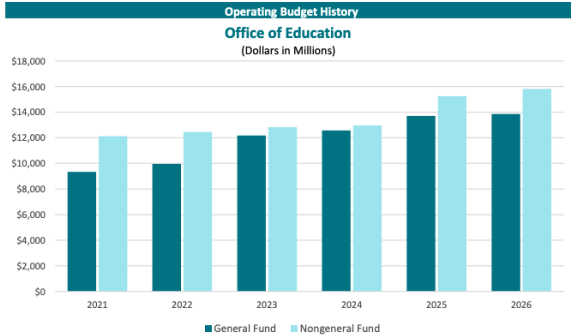
College enrollment could take a big hit in 2025. Here's why.

The nation's declining birthrate could hurt enrollment numbers.

By Alejandra O'Connell-Domenech | Jan. 10, 2024

- Several states expected to experience growth despite national trends – concentrated in the southeast and western US
- Enrollment strategies to account for declining population can be developed to mitigate some risk
- Affordability appears to be significant factor in potential growth states
- Private institutions will experience headwinds as well, but . . .
- . . . enrollment growth at private, faith-based institutions has outpaced public peers nationally, and in Virginia

Improving Affordability



Source: DPB

- While appropriations for higher education have increased substantially (now constituting 41 percent of operating budget), average tuition and fees continue to grow
- Average undergraduate tuition and fees across all public institutions rose by 2.8 percent, and non-education fees rose by 3.3 percent
- 54.6 percent of graduating seniors complete the FAFSA – additional Pell-eligible students may be missing out on available financial aid

A Path Forward through the Headwinds

- Continued focus on access and affordability, particularly around instructional areas with high employability
- Lean into the growth of additional prospective student populations:
 - Minority students
 - Out of state students
 - International students
- Management of institutional priorities and deprecation of lower priority activities in favor of higher value activities
- Realignment of missions, if necessary, to focus on labor market outcomes for students
- Continued emphasis on Virginia's economic growth and development to attract population

Selected SCHEV Budget Recommendations

SCHEV 2024-26 Budget Update Recommendations
(in \$millions)

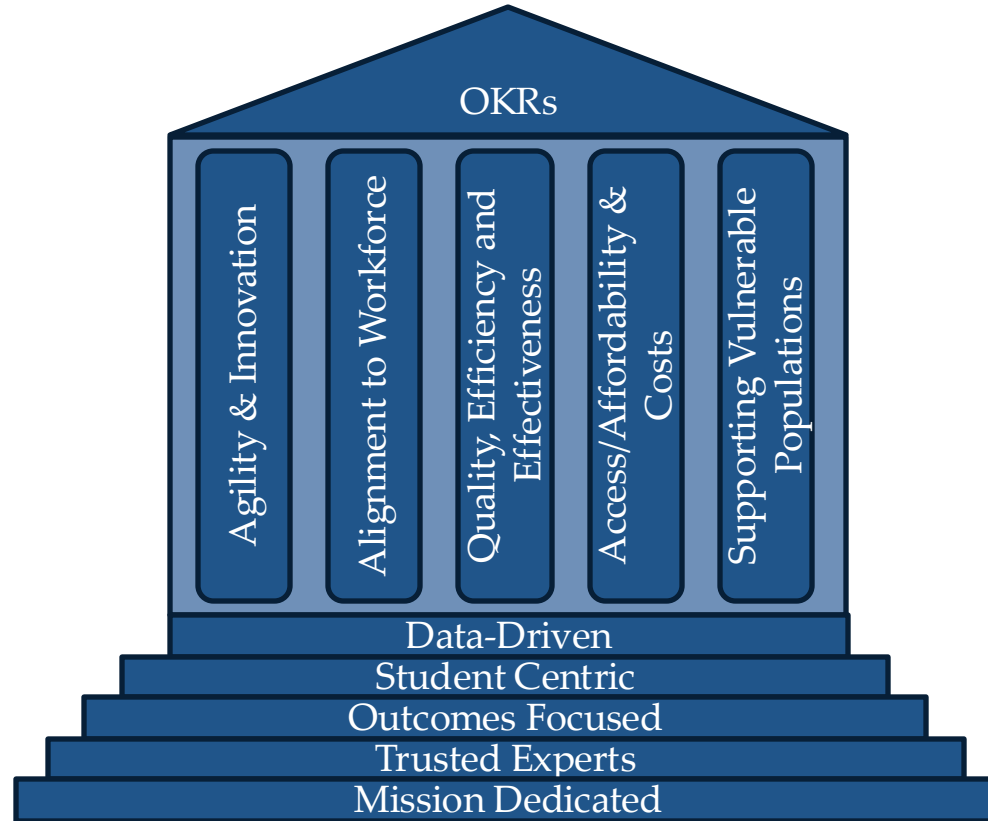
Items	FY 2025	FY 2026
A. Educational and General Programs Operations		
Mitigate tuition impact of the institution share of FY 2026 salary increase		158.30
Nonpersonal inflationary costs		35.30
Operations & maintenance of new facilities		13.50
Sub-total		207.10
B. Student Financial Aid		
B1. State need-based financial aid		
Undergraduate need-based financial aid:		19.90
Workforce Credential Grant		3.50
B2. State non-need-based financial aid		
Virginia Military Survivor and Dependents tuition stipend cost increases (VMSDEP)	0.65	4.30
Sub-total	0.65	27.70
C. SCHEV Budget		
C.1 Systemwide programs		
Space Grant scholarships/fellowships/ internships		0.13
Virginia Sea Grant (VASG)		0.58
Mental Health Workforce Pilot		1.00
Constructive Dialogue Institute (CDI)		0.10
C.2 SCHEV agency administration		
Funding to meet and enhance SCHEV capacity		0.38
Virginia Longitudinal Data System		0.50
Sub-total		2.69
Grand Total	0.65	237.49

- VMSDEP stipend, TAG, and WCG award levels – additional appropriations necessary to maintain the maximum authorized award level for each program
- Impact of state employee wage increases on higher education institutions (and tuition and fees)
- Further support for student financial aid
- Support for the VLDS and expanded data visualization

SCHEV Priorities for 2025

- Revision of the state strategic plan for higher education (§ 23.1-306)
- Closer alignment of six-year planning process (§ 23.1-306) to state strategic plan for higher education
- Increased coordination across all public (2- and 4- year) and private institutions to achieve strategic plan goals
- Closer collaboration with VDOE to support stronger outcomes for higher education
- Examination of state funding formulas and financial aid programs for recommended efficiencies
- Supporting Virginia's efforts to be number one for higher education
- Expanded internship and work-based learning opportunities through Virginia Talent Opportunity Program (V-TOP)
- Acceleration of the Pell Initiative for Virginia (PIV) – year two of grants
- Expanded data visualization and usage by prospective students
- Continued development of the online data portal (collegeoutcomes.schev.edu)

SCHEV Guiding Principles



Thank you

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