



Preparing for the Top Jobs of the 21st Century:
The Virginia Higher Education Opportunity Act of 2011 SB1459/HB2510
Chief Patrons: Senators Houck and Norment and Delegates Cox and Dance
Key Talking Points

- Based on recommendations of Governor McDonnell's bipartisan Commission on Higher Education Reform, Innovation and Investment, which offered recommendations in 3 major areas: **greater economic opportunity and impact; reform-based investment; and affordable access for all capable and committed Virginia students.**

ECONOMIC OPPORTUNITY AND IMPACT

- Provides a roadmap for achieving an **additional 100,000 undergraduate (associate and bachelor's) degrees** for Virginians over the next 15 years by **(1) increasing enrollment of Virginia students, (2) improving graduation and retention rates, and (3) assisting students with some college credit to complete degrees** through public and private higher education institutions in Virginia.
- Focuses additional degree attainment in **high-demand, high-income fields (e.g., STEM, healthcare) that are keys to top jobs in 21st Century economy.** Provides for creation of a not-for-profit **STEM public-private partnership** to fully engage the business and professional communities in the strategic direction and promotion of STEM initiatives. Incentivizes public-private collaboration on STEM-related and other commercially viable research.
- **Higher education's return on investment is second to none.** The Weldon Cooper Center's study for the Virginia Business Higher Education Council shows that every 1 dollar currently invested in Virginia's public higher education system yields **13 dollars in increased economic output.** College graduates on average **earn twice as much** as those without college degrees.

REFORM-BASED INVESTMENT

- Provides for **sustained reform-based investment and innovation** in delivery of higher education services, as well as extending college degree opportunities to more citizens in creative, cost-effective ways. Institutions' **six-year plans will address strategies and use of incentives for:**
 - **Year round use of physical facilities and instructional resources**
 - **Technology-enhanced instruction and resource-sharing across the higher end system**
 - **Innovative and economical degree paths**
 - **Ongoing restructuring and managerial reforms**
- Reverses the dramatic funding reduction cycle to higher education through a **new comprehensive funding model framework** with four components: **basic operations and instruction; enrollment growth funding; need-based financial aid (for low- and middle-income families); and financial incentives to promote innovation and increased economic impact.**



- Establishes a **comprehensive and streamlined six-year planning process** to aid college, university, and executive and legislative branch officials in implementing the long-term policies of the “Top Jobs” Act and in improving coordination among institutions and the Commonwealth.
- Creates a collaborative **Higher Education Advisory Committee** consisting of executive and legislative branch representatives and representatives of higher education institutions to develop performance criteria for incentives, institution-specific base funding policies, economic opportunity metrics for degree programs, opportunities for additional, cost-saving managerial autonomy and efficiency reforms, and other key policies.

AFFORDABLE ACCESS

- Provides **enrollment-based funding to increase access for qualified Virginia students** at public and private colleges and universities.
- Enhances **long-term affordability** through a three-prong strategy: (1) puts in place a model for stable and predictable state funding support, **relieving the upward pressure on tuition over time as state funding rebounds**; (2) provides for development of need-based **financial aid options aimed at middle-income as well as low-income families**; (3) creates a **Revenue Stabilization Fund** (higher education rainy-day fund) to help buffer higher education funding against future cuts that produce sudden and sharp tuition spikes during economic downturns.

The Commission’s report and recommendations include a detailed section on the economic value of university-based research and development activities. The Commission supports legislation creating the Virginia Research and Technology Investment Fund and providing a tax credit for companies that partner with higher education institutions for research. The Commonwealth needs to continue to strengthen research competitiveness through targeted investments at the six public doctoral institutions, the comprehensive public institutions as well as private colleges that conduct research, and state-funded research facilities and programs.

The Governor’s Commission on Higher Education Reform, Innovation, and Investment continues through 2011 to further study and develop regional strategies for public-private partnerships for business recruitment, workforce preparation, and university-based research. Another area of focus will be the Governor’s charge to make Virginia a national leader in providing higher education opportunities to military personnel and veterans.

More information on the Commission’s work including the interim report, recommendations, and meeting materials can be found at www.education.virginia.gov