

Update on the Development of the 2020-2026 Six-Year Plan and Approval of Related Strategies

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

May 9, 2019

The university received instructions for developing revisions to the 2020-2026 Six-Year plan on May 1, 2019. This report provides an early update on this process and key assumptions underlying the development of the plan.

Process

The Higher Education Opportunity Act of 2011 codified a set of goals and objectives for higher education in Virginia, and outlined an annual planning process. This process requires submission of academic, financial, and enrollment plans for the next three biennia, with particular focus on the first biennium of the planning period. Plans are submitted each odd-year, with an opportunity to revise in each even-year. The Six-Year plan submission begins a discussion with the commonwealth about the university's planned progress towards the goals of the state's Virginia Plan for Higher Education, how the university can partner with the state to advance shared outcomes, and is an important step in positioning the university to seek state support during the Executive Budget development process each fall.

An initial submission of the plan is due to the state on July 1, 2019. The state review committee (Op-Six) will provide feedback and any follow-up questions to the university by September 1, the university will respond to that feedback by October 1, and the final plan will be brought forward for Board approval at the November 2019 meeting.

Changes for 2019

Tuition Predictability Plan: The revised biennial budget approved by the 2019 General Assembly requires institutions to outline the estimated cost of in-state undergraduate tuition and fees for a period of no less than three years. Institutions may submit several scenarios, for example varying the level of state General Fund support, with at least one scenario based on the assumption that the state provides no new General Fund support.

General Fund Requests: The Six-Year Plan template has been revised to include a separate section for General Fund requests for the 2020-22 biennium. For example, the university could request state support to lower the aforementioned in-state undergraduate tuition and fee rate, or for support for a new academic or research initiative. The university develops these initiatives in a manner consistent with the university's long-range plan.

Institutional Performance Partnership Agreement: The 2019 General Assembly passed new legislation that allows institutions to submit an optional proposal for an Institutional Performance Partnership Agreement (IPPA). These agreements re-envision the traditional relationship between the university and the Commonwealth by identifying and supporting one or more targeted initiatives that leverage the unique strengths and

capabilities of each party. Strategies within such an IPPA will be embedded within the Six-Year Plan, demonstrating how both the institution and the Commonwealth can contribute to the partnership. As this state initiative has evolved, the university has considered how such a partnership could support expansion and/or enhancement of university strategic goals.

Strategies

The following list of elements represents significant categories of strategies which are under consideration for development of initiatives that could be included in the university's six-year plan and/or an IPPA to most effectively advance the mutual goals of the Commonwealth and Virginia Tech:

<i>Affordability</i>	<ul style="list-style-type: none"> ▪ Mitigation of in-state undergraduate tuition increases through provision of new state General Fund support ▪ State and university investment in student financial aid
<i>Enrollment</i>	<ul style="list-style-type: none"> ▪ Commitment to maintain growth of in-state enrollment. Virginia Tech has added 2,200 resident undergraduates between Fall 2010 and Fall 2018. ▪ Commitment to expand in-state undergraduate enrollment in exchange for state support for the Tech Talent Pipeline. ▪ Provision of enrollment management flexibility as it pertains to growth of the undergraduate student population, which can support budget priorities and mitigate pressure on in-state tuition
<i>Economic Development</i>	<ul style="list-style-type: none"> ▪ Tech Talent Pipeline degree growth to support workforce needs ▪ Partnerships with industry to expand internship opportunities ▪ Request state support for research programs to position the university in a competitive extramural funding environment
<i>Efficiency & Innovation</i>	<ul style="list-style-type: none"> ▪ Request increased autonomy in administrative and academic support areas where the university can achieve cost savings and efficiencies
<i>Accountability</i>	<ul style="list-style-type: none"> ▪ Commitment to specific set of metrics to measure progress towards specific goals (e.g. resident enrollment and tuition, etc.) ▪ Shared understanding of partnership responsibilities

Timeline and Next Steps

The Six-Year Plan proposals will be submitted on July 1. This begins a dialogue with the Commonwealth about the plans and the IPPA. The state will then provide feedback on the Six-Year Plan by September 1. Following the state's review, the Op-Six will make a recommendation on the IPPA to the Governor and the Chairs of the House Appropriations

and Senate Finance Committees in October 2019. The Board of Visitor's approval of the final proposal will be in November 2019. IPPA proposals will then be considered during the 2020 session of the General Assembly as will state support, final actions of the state will be enumerated in the Appropriations Act.

Recommendation

That the Board of Visitors approve the university's strategies for the development of the Six-Year Plan and Institutional Performance Partnership Agreement proposal to advance shared goals.

June 3, 2019

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DWIGHT SHELTON, VICE PRESIDENT FOR FINANCE AND CHIEF FINANCIAL OFFICER

JUNE 3, 2019



Six-Year Plan

- Required by the Higher Education Opportunity Act of 2011
- Includes academic, financial, and enrollment plans for the next three biennia
- Initial submission due July 1st
- State and the university will finalize in October 2019
- Six-Year Plan begins a discussion with the Commonwealth:
 - Outline of the university's planned progress towards the goals of the state's Virginia Plan for Higher Education
 - Opportunities for the university to partner with the state to advance shared outcomes
 - Positions the university to seek state support during the Executive Budget development process each fall

State Changes to the Six-Year Plan

Changes for 2019:

- Tuition Predictability Plan - outline of estimated cost of in-state undergraduate tuition and fees for a period of no less than three years
 - Institutions can submit several scenarios but at least one must assume no new state General Fund support
- General Fund Requests - template includes separate section for General Fund Requests
 - For example, the university could request state support to reduce in-state undergraduate tuition increase, or support for new academic and research initiatives
 - The university will submit initiatives consistent with the university's strategic plan

Institutional Performance Partnership Agreement

- New process approved by 2019 General Assembly provides institutions with the opportunity to propose innovative performance pilots to address:
 - Access
 - Affordability
 - Cost predictability
 - Enrollment management
 - Alternative tuition and fee structures
 - Internships and work-study opportunities
 - Talent development
 - State or regional economic development
 - Pathways for timely degree completion
 - Affordable degree pathways
- Proposals would spell out mutually dependent commitments by the colleges, the Commonwealth, and, in some cases, key business partners on priorities. IPPA proposals are submitted as part of the Six-Year Plan of the university.

Major Elements Under Consideration for Inclusion in University Six-Year Plan

Attachment W

Access & Affordability

- Mitigation of in-state undergraduate tuition increases through provision of new state support
- State and university investment in student financial aid

Enrollment Support

- Maintenance of recent in-state enrollment growth
- Expansion of in-state enrollment in exchange for state support of Tech Talent Pipeline
- Greater enrollment management flexibility

Economic Development

- Tech Talent Pipeline degree growth
- Partnerships with industry to expand internship opportunities
- Request state support for research programs

Major Elements Under Consideration for Inclusion in University Six-Year Plan

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Efficiency & Innovation

- Request increases autonomy in administrative and academic support areas where the university can achieve cost savings and efficiencies

Accountability

- Commitment to specific set of metrics to measure progress towards specific goals (e.g. resident enrollment, tuition, etc.)
- Shared understanding of partnership requirements

Next Steps

- Six-Year Plan is under development
- July 1 - initial submission to state
- July 24 - Virginia Tech team presents Six-Year Plan to the State officials in Richmond
- On-going dialogue with the Commonwealth on the breadth and scope of a potential IPPA
- September 1 - feedback from State
- October 1 - university response to feedback
- November - BOV review and approval of final plan

Update on the Development of the Six-Year Plan and Approval of Related Strategies

RECOMMENDATION:

That the Board of Visitors approve the university's strategies under consideration for the development of the Six-Year Plan and Institutional Performance Partnership Agreement proposal to advance shared goals.

June 3, 2019