For several

Please contact Dr. Don Finley, VBHEC president, at dfinley@vbhec.com / (804) 249-2889.

Virginia relies more heavily on tuition, ranking in the top 15 highest tuition states in the country, according to a study by the National Center for Public Policy and Higher Education. The study found that Virginia’s higher education system’s annual contribution to Virginia’s economic output is $167,000, based on graduation rates and return on investment.

We in the business community are eager to partner in this effort.

John T. "Til" Hazel, Jr.

Dr. Donald J. Finley

Now is a crucial time for Virginia to invest in talent and affordability.

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2. COMPETITION FOR TALENT. Support initiatives by the institutions to recruit talented Virginia resident students and out-of-state students for high-demand degree programs that meet Virginia workforce needs. For several consecutive years, Virginia has experienced a net out-migration of well-educated young people. Higher ed institutions in other states also are aggressively targeting and poaching Virginia high school graduates. These adverse talent trends put Virginia’s economic future at risk. To attract business investment and job creation in key growth sectors, we must attract and retain top talent from Virginia and around the country.

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**Virginia’s Top-Performing Higher Education System**

<table>
<thead>
<tr>
<th>#1</th>
<th>Virginia higher education system’s national ranking by SmartAsset based on graduation rates and return on investment</th>
<th>$21 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>- revenue returning to the State Treasury for every $1 of state investment in higher education</td>
<td>$1.92 billion</td>
</tr>
<tr>
<td>#3</td>
<td>- jobs the public higher education system supports</td>
<td>167,000</td>
</tr>
<tr>
<td>#4</td>
<td>- the Virginia higher education system’s annual contribution to Virginia’s economic output</td>
<td>$36 billion</td>
</tr>
<tr>
<td>#5</td>
<td>- Virginians who say we should be proud of our top-performing higher education system</td>
<td>93%</td>
</tr>
<tr>
<td>#6</td>
<td>- Virginians who believe higher education is a good investment because it leads to higher incomes and a stronger economy</td>
<td>87%</td>
</tr>
<tr>
<td>#7</td>
<td>- Virginians who say our colleges and universities “are well run” and “are a sound place to invest public dollars”</td>
<td>88%</td>
</tr>
</tbody>
</table>
| Bottom 15 & Top 15 | - among the 50 states, Virginia now ranks in the bottom 15 for state support of higher education. Virginia relies more heavily on tuition, ranking in the top 15 highest tuition states | 7% 

**Why We’re Here to Visit**

Thank you for your time today, and thank you for your support of higher education. Our #1-ranked higher ed system is Virginia’s top competitive asset in promoting business investment and job creation, a fact confirmed by Amazon’s HQ2 decision and CNBC’s recent award of top business city. As business leaders, we in the Virginia Business Higher Education Council (VBHEC) encourage the General Assembly to make the most of this competitive asset by investing significantly in talent development and college affordability in the 2020 Session.

**Questions or Comments?**

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**Visit Us At:** GROWTH4VA.COM
THE TALENT AGENDA

OUR GOAL: Aligning innovative higher education instructional programs and student experiences with expected job opportunities and workforce needs, so talent develops and stays in Virginia and employers have the well-prepared workforce needed for growth.

Talent development and recruitment/retention require a multifaceted strategy, including these higher education investments that will address workforce priorities, drive economic growth, and create better job opportunities for Virginians:

- HIGH-DEMAND DEGREES. Strategic investments in high-demand two- and four-year degrees and industry-recognized credentials
  - Technology and other high-growth sector initiatives (e.g., Tech Talent Investment Program; Commonwealth Cybersecurity Initiative; life sciences and bio sciences)
  - Programs to address identified workforce shortages and regional skills gaps (e.g., teaching and healthcare positions; skilled trades)
  - Initiatives to keep talented Virginians in state for education and employment, and to attract top talent from outside the Commonwealth, especially for high-growth, high-demand sectors

- EXPERIENTIAL LEARNING. Internships and work-based learning initiatives
  - Using the new Innovative Internship Fund to create a major state-supported collaboration (among employers and business groups, higher ed institutions, and K-12 school systems) to establish learning-to-earning pathways and significantly expand systemwide access to internships and other experiential-learning opportunities
  - Innovative initiatives that integrate experiential learning in liberal arts curriculum to prepare resilient, well-rounded graduates ready for workplace success and active citizenship

- INSTITUTIONAL PARTNERSHIP AGREEMENTS. Using the new Institutional Partnership Performance Agreement (IPPA) statute to develop institution-specific initiatives and business-education partnerships that capitalize on schools’ distinctive strengths in addressing state and regional economic priorities

- EXPANDING ACCESS. Initiatives that increase access to talent development and employment pathways for first-generation and under-represented students, working adults with partial college credit, and veterans.
  - Enhanced online educational options, community college transfer programs, and other alternative pathways to marketable degrees and credentials

- RESEARCH AND INNOVATION. Strategic investments in university-based research and collaborative entrepreneurial ecosystems

- TALENT FOR TALENT. Increased state support for attracting and retaining key instructional and research faculty talent, especially to support talent development in high-demand, high-growth disciplines

THE AFFORDABILITY AGENDA

OUR GOAL: Enhancing affordable access for low- and middle-income Virginians to marketable degrees and credentials and good Virginia-based jobs; making sustained progress in moving Virginia away from its current status as a low-state-support, high-tuition system.

No single strategy can make postsecondary education accessible for all Virginians; progress on college affordability will require investment and reform, including some or all of the following approaches:

- STUDENT FINANCIAL ASSISTANCE. Improve affordability for low- and middle-income Virginians by increasing state support for financial aid at public higher education institutions, tuition assistance (TAG) grants at nonprofit private colleges, and workforce credential grants through the community college system
  - Greater state resources devoted to student financial assistance also helps moderate tuition by reducing the need for higher ed institutions to pay for financial aid through tuition revenues

- TUITION MODERATION INCENTIVES. Provide increased base funding that institutions can access through discretionary tuition moderation actions by their governing boards

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- AFFORDABLE PATHWAYS. Expanding alternative pathways to more affordable degree and credential attainment, including increased dual enrollment, advance placement, community college transfers, online programs, and streamlined courses of study that enable expedited completion

- CONTROLLING COSTS. Improving institutional performance through reforms that bend the cost curve, including increased institutional and business collaboration, upgrading systems using new technology, and state regulatory reforms that emphasize managerial autonomy and outcome-focused accountability

- STATE SUPPORT STABILIZATION. Preventing tuition spikes during economic downturns and state revenue shortfalls through state and institutional reserves and a dedicated and reliable state funding source for higher education

- TRANSPARENCY AND CHOICE. Empowering students and their families to make more informed choices through enhanced academic and career advising and improved data and transparency regarding net price, likely student debt levels, and the return on investment (ROI) of particular degree and credential programs

VIRGINIANS SEE OUR HIGHER EDUCATION SYSTEM AS A SOUND PLACE TO INVEST

Large majorities of Virginians in both parties say we should be proud of our top-performing higher education system. 88% say our higher education system is a “valuable asset” of the Commonwealth and describe it as “well run” and a “sound place to invest public dollars.”

VIRGINIA’S TOP GRADUATION RATES PRODUCE A STRONG RETURN ON INVESTMENT FOR STUDENTS

With the 2nd highest graduation rates in the nation (more than 70%), Virginia’s higher education system delivers a strong ROI for students. SmartAsset puts the average 20-year ROI of a 4-year degree from Virginia’s higher education system at $413,544.

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Virginia is among the bottom 15 states in state support for higher education and among the highest 15 states for tuition. So when state leaders step up and invest, it makes a big impact on affordability for students. In 2019, all of Virginia’s public colleges voluntarily froze tuition in response to a $58 million state investment.
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Nancy Howell Agee, Treasurer (president and CEO, Carilion Clinic)

Todd A. Stottlemyer, Secretary (chief executive officer, CNSI)

Thomas F. Farrell, II (chairman, president and CEO, Dominion Energy)

Clifford B. Fleet, III (chairman and CEO, Colonial Williamsburg Foundation)

W. Heywood Fralin (chairman, Medical Facilities of America, Inc.)

John T. “Til” Hazel, Jr. (foundering chairman, Virginia Business Higher Education Council)

C. Burke King (former president, Anthem Blue Cross Blue Shield of Virginia)

Howard P. Kern (president and CEO, Sentara Healthcare)

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Victoria D. Harker (partner, McGuireWoods LLP)

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