TITLE: REPORT OF VIRGINIA’S COMMUNITY COLLEGES’ RE-ENGINEERING TASK FORCE (ITEM II.D)

ISSUE:

Virginia’s Community Colleges’ Re-engineering Task Force was established by Chancellor DuBois in November, 2009, to examine and rethink every aspect of our organization and operations other than governance, in order to assure achievement of our ambitious strategic plan, Achieve 2015, in a period of significantly constrained resources. The Task Force was charged to complete its recommendations in time to report to the State Board at its Annual Meeting in November, 2010.

BACKGROUND:

As the nation has embraced the need to produce more degrees in order to grow the economy and remain competitive on an international scale, state resources to support higher education have dwindled and tuition has continued to climb. Enrollments have soared, particularly in our community colleges, but increasingly the productivity of higher education systems has been called into question. Policy makers have asked what the economic and societal returns are on the investments being made in faculty, staff, facilities and operating costs, and whether those returns are good enough.

At the same time, last year a “perfect storm” was brewing for the System which was experiencing unprecedented enrollment growth and requests for its services, while state support was declining at equally unprecedented rates. In addition, the System was about to embark on an ambitious strategic plan, Achieve 2015, to expand even further its reach to serve the unmet needs of citizens of the Commonwealth, to assist them and the communities they live in to have improved economic opportunities.

With a commitment to keep community college tuition and fees at less than half the comparable rate of four-year colleges, additional funding by itself was not going to be the solution that would allow Virginia’s community colleges to ride out this storm. It would be necessary to seek new ways of doing business, to become smarter in our investments of people and talent and technology, to better leverage our combined size and resources, to restructure our work patterns and habits, and to break down barriers to change and improvement. The compelling rationale behind the need for action was “Making the Case for Change” which documented the situation facing Virginia’s Community Colleges (see Appendix A).

To that end, the Chancellor established the Re-Engineering Task Force in November, 2009. The Task Force was given a charge to examine and rethink every aspect of the System’s organization and operations other than governance, in order to assure achievement of the goals of Achieve 2015 during a period of significantly constrained resources. Led by two presidents, Dr. Robert Templin, president of Northern Virginia Community College, as chair, and Dr. Jack Lewis, president of New River Community College, as co-chair, the Task Force was given a year to complete its work.

The Task Force membership was intended to reflect a broad spectrum of faculty and staff in different types of positions, at different sizes and locations of colleges, as well as the System Office. The Task Force held several face-to-face meetings, but early in its work divided into three committees to delve
more deeply into issues focused on resources, teaching and learning, and operations. Those committees regularly held conference calls on a weekly basis.

In order to ensure that tangible results would be produced in a timely manner, early in its deliberations the Task Force agreed on guiding principles that the recommendations:

- should not be change for just the sake of change, nor allow the sentiment of tradition to prevent rethinking the way Virginia’s Community Colleges operate;
- should lead to substantial gains in learning outcomes, in alignment with the strategic goals of Achieve 2015;
- should lead to better fiscal balance for Virginia’s Community Colleges, reducing operating expenses and maximizing revenues wherever appropriate;
- should represent the shared responsibility of all Virginia Community College stakeholders – with no single entity or group bearing a grossly disproportionate burden;
- should be sustainable, scalable, and success-inducing for each of Virginia’s Community Colleges regardless of a college’s size and location; and,
- shall honor the current governance structure of Virginia’s Community Colleges while protecting the community responsiveness of individual community colleges.

Once these principles were agreed to, work of the Task Force proceeded in earnest. Adding to the diversity of the Task Force membership, opportunities were created for others in the VCCS to offer advice and information. A “Re-think” website was established to share the work of the Task Force and to allow individuals to e-mail their thoughts directly to the Chancellor. Over the course of the year, hundreds of e-mails were gathered, and the Chancellor in turn sent regular e-mails to the entire VCCS community of faculty and staff on the work of the Task Force. Consultants from Accenture’s change management practice also donated hours of advice and guidance on how to undertake such comprehensive change.

Additionally, the primary focus of the Chancellor’s Retreat held for academic and administrative leadership of the VCCS on August 10-11, 2010 was to discuss the Re-engineering Task Force preliminary recommendations. This was followed by nine town hall meetings across the state in September, with at least four more to be held in November. Various presentations and discussions at advisory committee and peer group meetings were held as well.

After the initial recommendations were presented at the Chancellor’s Retreat, the Task Force took a serious look at subsequent feedback that resulted in significant changes to the recommendations, focusing them more tightly on student success as well as productivity and cost effectiveness.

The recommendations made by the Task Force, consolidated in ten “Big Ideas,” are the result of hundreds of hours of debate and deliberation among Task Force members, more than 400 e-mails received on the Task Force “Re-think” website, comments collected at the Chancellor’s Retreat and subsequent town hall meetings held by the Chancellor, responses from various advisory and constituent groups, and many other conversations.

Pervasive throughout the deliberations of the Task Force were three themes: the need to reinvest in our people as the centerpiece to accomplishing the work of the Task Force, the need to leverage the power of technology to improve productivity, and the increasingly dominant need to provide our people with the tools and training needed so that they can manage “with productivity in mind” as a matter of
course in everyday activities. Equally important were discussions about the lessons learned from colleges participating in Achieving the Dream initiatives – that fostering effective change requires data-driven decision making within a culture of evidence.

Also pervasive throughout the deliberations and debate, was the understanding that change is often unwelcome, particularly so in the face of adversity and dramatic losses of resources. Some have a perspective is that change made necessary by such circumstances will be temporary and that returning to old practices and comfortable work styles will be just a matter of time. But as the “Case for Change” highlighted, riding out the “perfect storm” will take much more than tuition increases and temporary fixes. To satisfactorily meet the challenges of our new strategic plan, Achieve 2015, Virginia’s community college system must become a different organization than the one created nearly 50 years ago. With an even stronger student-first focus, the ultimate goal of the Virginia Community College System must be to become a high performing system with better outcomes at lower cost. To that end, one of the recommendations, “Foster a Culture of High Performance”, specifically addresses the need to reflect that concept across the spectrum of recommendations, calling for:

- Reinvesting in our people – developing strategies that encourage and reward sustainable improvements in individual and organizational performance
- Innovation through technology – developing a dynamic strategic planning process to achieve a culture of innovation through the use of technology in order to promote student success and more effective and efficient use of resources
- Managing with productivity in mind – providing additional management tools that make objective and useful data on the cost-effectiveness of operations within the college available to decision-makers, along with professional development on how to use the data in a way to promote improved productivity and efficiencies.

It is important to note that the last recommendation being made by the Task Force is that these efforts to “re-engineer” our system continue with the establishment of Task Force II, consisting of the current members as well as key members of the Chancellor’s staff. The initial Task Force had many ideas presented to it, some of which need further development and are not reflected in the “top ten” ideas, and yet even more new ideas continue to surface at each meeting. Task Force II will be charged with developing performance metrics for each of the “top ten” ideas as soon as possible, monitoring progress on implementation of the recommendations, and continuing to pursue new ideas.

Task Force II will also work with the System Office to develop communications and implementation plans that will inform VCCS faculty and staff of the work of the Task Force and provide opportunities for further involvement. That involvement will be in the form of both opportunities for on-line interaction with Task Force members and greater opportunities for constituent groups to be represented on workgroups that will provide guidance on implementing the recommendations. Additionally, a comprehensive report and resource document on the work and recommendations of the Task Force, including baseline data related to performance metrics, will be an initial charge of Task Force II.

As suggested in the initial charge to the Task Force, implementation of many of these recommendations is too critical or too time sensitive to delay. For some, a month or two of delay means waiting at least a semester if not a full academic year for implementation. For some, such as centralizing financial aid processing or the shared services distance learning proposals, the efforts will be piloted before being fully implemented, with the further implementation informed by results of the pilots. That will allow us to learn from experience on a smaller scale without slowing down the opportunities for improvements. For others, such as leveraging the purchasing volume of the VCCS, the recommendation to develop a
workgroup consisting of purchasing officers and others to move forward is already under way. Yet others, such as the recommendation to develop a new spectrum of faculty positions, may take longer in order to consider fully all of the ramifications of developing and implementing new faculty roles. Each recommendation will have its own path to follow: a set of metrics outlining the problem or issue to be resolved and the related expectations tied to the recommendation, the constituent groups to be involved in the further development or implementation of the recommendation, the timeline, and the responsible parties for overseeing implementation of the recommendation.

The top ten recommendations of the Re-engineering Task Force were presented to the Advisory Council of Presidents at its October 20, 2010 meeting. With the far reaching nature of the recommendations, the presidents asked that information on the actual implementation strategies be presented to them at their next meeting in December and they also asked that the implementation teams or workgroups be as broadly representative of the various constituent groups as possible. However, understanding the “Case for Change” and the need to move forward, the presidents approved the following statements regarding the Task Force recommendations:

- “The Advisory Council of Presidents endorses the strategic direction of the Chancellor’s Re-engineering Task Force”; and,
- “The Advisory Council of Presidents recommends a strong process to engage broadly the multiple stakeholders and constituent groups of the VCCS in advancing the subsequent steps of this strategic direction.”

Attached are the “top ten” ideas recommended by the Task Force to the Chancellor, the initial charge to the Task Force from the Chancellor including the Task Force membership, and the “Case for Change” that was used initially to document the need for change.

RECOMMENDATION:

It is recommended that the State Board for Community Colleges accept the report of the Chancellor’s Re-engineering Task Force.

RESPONSIBLE INDIVIDUALS:

Dr. Robert Templin, Chair of Task Force
Dr. Jack Lewis, Co-Chair of Task Force
Recommendations from the Virginia’s Community Colleges Reengineering Task Force

A Change Agenda with a Student-First Focus

1. **Redesign Developmental Education**
   Redesign developmental mathematics, reading and writing in order to enhance student success; implement the recommendations of the Developmental Education Task Force; and take steps to prevent the need for remediation by working with local school divisions to improve the college readiness of high school graduates.

2. **Implement Shared Services**
   - **Centralize “Back-Office” Functions of Financial Aid**
     Conduct a pilot to centralize student financial aid “back office” processes at Tidewater Community College resulting in greater individualized service to students, improved student affordability and access, and reduced processing costs per student.
   - **Leverage VCCS Purchasing Volume**
     Leverage the purchasing volume of the VCCS and increase operational efficiencies to provide significant cost savings.
   - **Pilot Shared Services Distance Learning System**
     Offer a distance learning system option to VCCS colleges, that will expand their capacity for greater student access and comprehensive course offerings through a shared services arrangement, piloted by Northern Virginia Community College, sharing both FTE and tuition revenues.
   - **Expand Opportunities for Development of Consortia**
     Encourage the exploration of consortia program possibilities both in academic programs and all other areas of the college in order to increase student success and operational efficiency. This will increase opportunities to offer academic programs when and where they might not otherwise be feasible, and allow campuses to combine some operations for operational efficiencies.

3. **Strengthen and Diversify the VCCS Resource Base**
   Strengthen and diversify the VCCS Resource base with the following strategies:
   - Adhere to implementation of the six year financial plan adopted by the State Board for Community Colleges;
   - Pursue an aggressive strategy to increase the proportion of students receiving financial aid, including streamlining financial aid processing;
   - Encourage college foundations to focus fund raising efforts on the goal of fulfilling by 2015 the unmet financial needs of all middle income students that want to attend their college.
   - Provide professional development and other services to college foundations to increase their capacity in resource development;
   - Expand the pursuit of external funding opportunities with grants and contracts;
   - Seek increased state support through modification and funding of state guidelines and policies to recognize the mission of the VCCS;
• Position workforce services and continuing education as revenue producing functions through further efficiencies and improved effectiveness;
• Pursue opportunities to expand public-private partnerships with business and industry;
• Leverage the use of proven strategic financing mechanisms such as debt financing and performance contracting.

4. **Articulate Learning Outcomes for Courses to Enhance Student Success**
Utilize the VCCS faculty peer group structure to articulate learning outcomes for courses, beginning with prerequisite courses and courses with high enrollment currently demonstrating low success rates and/or low persistence rates to subsequent courses and award completion. Included in this process would be the development of mutually agreed outcomes, associated learning objects, student achievement benchmarks, and multiple assessment methodologies.

5. **Foster a Culture of High Performance**
Support the creation of high performance systems that utilize fully the talent and potential of our people, leverage the power of technology, enhance productivity, and produce better outcomes for students.

- **Reinvesting in Our People**
  Develop strategies that encourage and reward sustainable improvements in individual and organizational performance.

- **Innovation Through Technology**
  Develop a dynamic strategic planning process to achieve a culture of innovation through the use of technology in order to promote student success and more effective and efficient use of resources.

- **Managing with Productivity in Mind**
  Provide additional management tools that make objective and useful data on the cost-effectiveness of operations within the college available to decision-makers, along with professional development on how to use the data in a way to promote improved productivity and efficiencies.

6. **Reposition Workforce Services As A High Performance Operation Meeting Employer Needs While Contributing To The Financial Strength Of Virginia’s Community Colleges.**

- Evaluate, acquire and implement an automated enterprise system for registration, enrollment and tracking of open enrollment, community service and employer contract training courses in order to provide accurate and auditable data, reduce staffing costs, become more efficient, and provide improved customer service.
- Identify barriers to cost effective, entrepreneurial operations and promote changes to operational and funding policies and guidelines where appropriate.

7. **Automate Student Success Solutions and Develop Public-Private Partnerships for Student Success**
Redesign the delivery of selected services to students such that those functions are most effective in promoting student success and delivered in the most cost efficient manner. Possible services include automation solutions for course planning and academic advising, early alert and student intervention tracking, appointment scheduling, transfer planning, graduation application and access to high school transcripts, as well as leveraging private sector services to process transcripts and to provide supplemental, electronic tutorial support.
8. **Expand the Teaching Faculty Employment Spectrum**
   Develop and implement new faculty position options, such as Contracted Adjunct, Half-time Teaching Faculty, Lecturer, and 10-11 month Teaching Faculty to provide needed flexibility for college management of faculty resources.

9. **Conduct Credit Audit of Academic Programs**
   Colleges will review their curricula through a credit audit of their academic programs with an unusually high number of credit hour requirements in order to determine whether the same program and general education outcomes could be achieved by students with fewer credit hours, thereby reducing time to degree for students and eliminating some tuition expense for students.

10. **Continue Re-engineering Efforts**
    Establish Re-engineering Task Force II to oversee implementation of the re-engineering recommendations by utilizing expanded workgroups of functional experts and by continuing to consider and recommend additional ideas.
APPENDIX A

Initial Charge to the Task Force From Chancellor DuBois

Virginia’s Community Colleges
Re-engineering Task Force
November 11, 2009

Virginia’s community colleges are known throughout the country as pioneers and leaders in higher education circles – with many examples of setting the bar, breaking new ground, crossing traditional boundaries, and exceeding expectations. Based on concepts of shared governance, delegated authority, and visionary State Board leadership, our colleges have achieved these levels of excellence in times of limited state funding, implementing modest but regular increases in tuition necessary to sustain the funding needed to move forward.

A “perfect storm” is brewing for our System however. We are experiencing unprecedented enrollment growth and requests for our services, yet at the same time state support is declining at equally unprecedented rates. And, we are about to embark on an ambitious strategic plan to expand even further our reach to serve the unmet needs of more citizens of the Commonwealth, to assist them and the communities they live in to have improved economic opportunities.

Our new strategic plan has an ambitious goal for raising funds other than traditional state support for our colleges, but also commits to keeping tuition at less than half the comparable rate of four-year colleges. Tuition and non-traditional fund sources will become more important “legs” to our funding, but the third “leg” of traditional state funding will be unstable for years to come. This wobbly funding platform is not sufficient to achieve the goals of our new strategic plan or to sustain our precedent-setting reputation.

Therefore, we need to seek new ways of doing our work, to become smarter in our investments of people and talent and technology, to better leverage our combined size and resources, to restructure our work patterns and habits, and to break down barriers to change and improvement, without making changes to our fundamental governance and organizational structure that has remained a constant and enduring backbone since the inception of our system.

To that end, I am creating Virginia’s Community College's Re-Engineering Task Force, to examine and rethink every aspect of our organization and operations other than governance, in order to afford us the resources and opportunities needed to serve our students in a continued tradition of excellence and innovation. The Task Force will be chaired by Dr. Robert Templin, president of Northern Virginia Community College, and co-chaired by Dr. Jack Lewis, president of New River Community College. The work of the Task Force should be completed in time to report to the State Board at its Annual Meeting in November, 2010, however it is anticipated that as recommendations surface during the course of its work that can and should be implemented earlier, those recommendations will be forthcoming.
Members of the Task Force included:

Chair: Robert G. Templin, President, Northern Virginia Community College
Co-chair: Jack M. Lewis, President, New River Community College

Cindy Bambara, Vice President of Student Success, Lord Fairfax Community College
Kim Blosser, Dean, Div. of Mathematics, Physical Sciences & Technology, Blue Ridge Community College
Ty Corbin, Coordinator of Academic Services, J. Sargeant Reynolds Community College
Crystal Creggar, Vice President of Finance & Administrative Services, Wytheville Community College
Beverly Davenport, Manager of Computing Services, Paul D. Camp Community College
James Davis, Director of Technology Administration Services, System Office
Mark Estepp, President, Southwest Virginia Community College
Craig Herndon, Special Assistant to the Chancellor, System Office
Sherri Huffman, Director of Institutional Planning, Research & Effectiveness, Danville Community College
Barbara Johnsen, Member, State Board for Community Colleges
Nat Marshall, Vice Chair, State Board for Community Colleges
Phyllis F. Milloy, Vice President for Finance, Tidewater Community College
Valerie Palamountain, Dean of Workforce Services, Piedmont Virginia Community College
Karen J. Petersen, Executive Vice Chancellor, System Office
Linda K. Thomas-Glover, President, Eastern Shore Community College
W. Terry Whisnant, Professor, Behavioral Studies, Director of Virginia Master Teacher Seminar, Southside Virginia Community College
Kevin Witter, Director of Facilities, Planning & Development, Virginia Western Community College
Susan Wood, Vice Chancellor for Academic Services and Research, System Office
Patrick Tompkins, Associate Professor, English, CFAC Chair, John Tyler Community College
In the initial discussions about formally establishing the Task Force, “Making the Case for Change” was developed as the rationale behind the need to examine and rethink every aspect of our organization and operations, other than governance, in order to afford us the resources and opportunities needed to serve our students in a continued tradition of excellence and innovation. The following points subsequently led to the charge for the Task Force.

A “perfect storm” is brewing for the Virginia Community College System. We are experiencing unprecedented enrollment growth and requests for our services, yet at the same time state support is declining at equally unprecedented rates.

- From fall 2007 to fall 2009, enrollments in our community colleges have increased by more than 22,000 students, an increase of more than 13%. At the same time, annual FTE are estimated to have increased by more than 19,700 FTE from FY 2008 through FY 2010, an increase of more than 19%. [Annual FTE increased by almost 6,700 from 101,889 in 2007-08 to 108,572 in 2008-09, which is an increase of 6.6%. Estimated annual FTE for 2009-10 is 121,500, which is an increase of 13,000 FTE (12.3%) over 2008-09.] These rates of growth are unprecedented in our system.
- From FY 2008 to FY 2012, it is anticipated that the cut in general fund support will reach $105 million, a loss of 27% of our state funding.
- Combining these two statistics results in a loss of state funding on a per FTE basis of $1,632 or 41% over the five years. Without considering this year’s enrollment growth, base budget adequacy guidelines indicate a shortfall of $65 million for FY 2010 [excluding ARRA funding]. Adding in this year’s growth increases that shortfall to $153 million.
- It is not anticipated that these statistics will recover before FY 2015 and may actually decline further before seeing any improvement.
- The state requires that regardless of funding levels, that state funds will be allocated among community colleges based on enrollments; with declining state funds and uneven enrollment growth among colleges, small and rural colleges with less enrollment growth will lose incrementally more funding and will be in greater need of new service delivery models.
- Faculty and staff will need to be compensated as we require greater productivity from them. Providing just a 2% annual increase would cost over $10 million each year. Recent guideline calculations from SCHEV indicate that the VCCS would need increases of 8.9% for two years to move to the 60th percentile of the benchmark group, at a biennial cost of $29.5 million, and that’s just for full-time teaching faculty salaries.
- The proportion of full-time faculty has dropped from 52% in FY 1999 to 41% in FY 2009. To return to the level of 10 years ago would require $88 million per year in the base budget adequacy model.
And, we are about to embark on an ambitious strategic plan to expand even further our reach to serve the unmet needs of more citizens of the Commonwealth, to assist them and the communities they live in to have improved economic opportunities.

- Too many students arrive at our colleges not ready for college-level courses; this is a hindrance to associate degree completion. Of recent high school graduates who enrolled in the VCCS in the fall of 2008, just under half (45%) enrolled in at least one developmental education course, reflecting a lack of readiness for college-level coursework. This percentage has remained constant over the last 5 years.
- Another barrier to student success is moving students from initial enrollment in a developmental course through to completion of needed developmental courses. More than half of the program-placed students in the fall 2004 first-time-in-college cohort required developmental education (56%). Of those, (83%) placed into developmental mathematics. Only one-half of students who enrolled in a developmental course completed it on the first attempt. Of those beginning in developmental mathematics, only 22% completed a gatekeeper mathematics course. Non-developmental students are almost twice as successful in completing an award as those requiring developmental education.
- 50,000 more students (20,000 FTE) are to be served on an annual basis by FY 2015. With current year increases, it is likely that even more students will be served. At the same time our colleges will strive to serve at least an additional 25,000 students each year from underrepresented populations.
- The number of students graduating, transferring or completing a workforce credential is to increase by 50%, and the success of students from underserved populations is to increase by 75%. Additionally, more of these graduates need to be in high demand disciplines – science, technology, health care, “green” technologies, and other workforce areas that are the highest in cost to start-up and maintain.
- As these additional students are served, SCHEV restructuring performance standards require “acceptable progress” toward targets for annual retention and progression rates, toward degree productivity, toward graduation rates according to financial aid status, and toward targeted ratios of awards to annual FTE enrollments.
- It is likely that we will have to increase even further the number of students receiving an associate degree in order to meet the goals of Governor-elect McDonnell and the Grow by Degrees campaign. [The Governor-elect’s campaign goal was to have additional 100,000 degrees awarded over the next 15 years; the Grow by Degrees campaign cites a comparable goal of an additional 70,000 degrees over 10 years.]
- To serve an enrollment level of 139,838 FTES by 2015 (2.82% annual growth over current enrollment levels) and provide 2% salary increases each year would require an additional $338.1 million. If that were funded solely with tuition, tuition would need to be increased by 79.1% over the next 5 years.

Our new strategic plan has an ambitious goal for raising funds other than traditional state support for our colleges, but also commits to keeping tuition at less than half the comparable rate of four-year colleges.

- In addition to lack of state funding for faculty and staff costs tied to serving more students, it is anticipated that state support for other costs will not be forthcoming:
- 1 million square feet of new space is targeted to open in 2008-10 with another 1 million square feet targeted to open in 2010-12, with no new state support; it is estimated that is a total cost of $13.6 million that has been or will be absorbed over the two biennia.
- The cost of technology increases in terms of license fees for software that are based on student enrollments; more desktops are needed as computer labs are used more heavily; maintenance fees
for enterprise system software licenses continue to escalate; and costs to acquire and expand new applications such as the Wizard must be funded. The cost to “true up” the Oracle data base license this year alone was almost $500,000.

- Faculty and staff have not received salary increases for two years and it is not anticipated that state funding for salary increases will be available for two more years. Additionally, retirement costs and increases in health care costs may be passed on to faculty and staff. To provide even a 2% increase in salaries without state funding would cost $20.6 million for a single biennium.
- Support for the Equipment Trust Fund and Maintenance Reserve are projected to decline in the next biennium, at a loss of $7.9 million to the VCCS.
- Increases in energy costs, increases in library materials and laboratory supplies needed for more students, and other maintenance costs will all need to be absorbed by existing college budgets.

_Tuition and non-traditional fund sources will become more important “legs” to our funding, but the third “leg” of traditional state funding will be unstable for years to come. This wobbly funding platform is not sufficient to achieve the goals of our new strategic plan or to sustain our precedent-setting reputation._

- At current enrollment levels, each 1% increase in tuition generates approximately $3.3 million in additional revenues.
- To cover the additional projected general fund reduction of $40.7 million in FY 2012, it would require an additional increase in tuition of $330 for a full-time student, or an increase of more than 11.6%. This does not replenish the loss on a GF/student basis due to enrollment growth.
- To cover annual salary increases of 2% without additional state support, tuition would need to be increased by 3% each year.
- To cover the estimated guideline funding for enrollment growth and 2% salary increases would require $338.1 million; to also improve our fulltime faculty ratio moves that total to $504.8 million. Even with 6.5% tuition increases each year through FY 2015, the remaining funding gaps would still require another 17 – 33% increase.
- Achieve 2015 has a goal of raising an added $550 million in revenues from grants and other non-state funding sources, over the course of six years. Those are traditionally one-time fund sources that can be used for program start-up, short-term pilot programs, financial aid, or other needs that are not on-going in nature. While helpful for those types of purposes, the cumulative $550 million will not address the on-going annual operating costs of $338.1 – 504.8 million.
- Even moderate tuition increases require comparable increases in financial aid, however no additional financial aid is recommended in the Governor’s budget for 2010-12. With enrollment growth alone, the existing base of financial aid will be diluted and the workload of existing staff increased. With higher tuition increases, even more students will be in need of aid. From FY 2005 to FY 2009, the number of FAFSA applicants increased 44.7% from 91,425 to 132,270; the number of applicants receiving aid increased by 37% from 48,736 to 66,865, and grant and scholarship aid increased by 60%, all at a time when enrollments increased by only 13% over the five years. The amount of aid, the way in which it is disbursed, and the sources of aid will need to be dramatically altered to serve the new students in the new environment.

_Therefore, we need to seek new ways of doing our work, to become smarter in our investments of people and talent and technology, to better leverage our combined size and resources, to restructure our work patterns and habits, and to break down barriers to change and improvement, without making changes to our fundamental governance and organizational structure that has remained a constant and enduring backbone since the inception of our system. To that end, I am creating Virginia’s Community College’s Re-Engineering Task Force, to examine and rethink every aspect of our organization and operations other_
than governance, in order to afford us the resources and opportunities needed to serve our students in a continued tradition of excellence and innovation.

- Without such change, even the status quo can’t be maintained. Implementing efficiencies alone can perhaps allow us to tread water. But through substantial review of all aspects of our enterprise through a more comprehensive re-engineering effort, the VCCS can continue to meet the growing needs of our communities for new and better services while maintaining its reputation for excellence and innovation.

- It will be necessary to determine if there are things we can stop doing, things we can do differently, and to selectively decide on what the most strategic steps need to be taken to achieve our goals through 2015 and beyond.

- There are at least three opportunities for study. Some questions are provided for each opportunity as examples to stimulate thinking:

  o Operational Productivity
    - How can technology be used to both provide new services and to more efficiently provide existing services
    - How can operations among and between the 23 colleges and the system office be better organized using new models of service delivery, including self-service, outsourcing, regional and system-wide services
    - How can the size of the system be better leveraged to reduce costs
    - How can college physical plants be utilized more efficiently and effectively with regard to class schedules and other activities

  o Resource Productivity
    - How can we better leverage the existing resources of the system to bring in new revenues or resources
    - Are there alternative resource structures that should be examined such as differential tuition to incentivize students to access our services in different ways
    - Should more emphasis be placed on students that bring in more revenue, such as out-of-state students
    - Are there other cost structures for services provided to communities and business and industry

  o Teaching and Learning Productivity
    - How can moving the non college-ready student to college-ready be accomplished in a more streamlined fashion so that resource savings can be deployed for other instructional purposes
    - What new instructional design and delivery models can be explored for delivery of distance learning and other courses that optimize faculty’s investment of time
    - How can incentives be provided for faculty to teach more students in order to generate more revenues for professional development, curriculum development or other instructional activities
    - How can technology be deployed to provide student services such as first-line advising and tutoring through self-help options that can free up faculty and staff to work with students in need of more in-depth assistance
    - How can new or existing academic programs be delivered cooperatively by colleges in order to align college program inventories with needs of the service area and conserve resources.