Distinguished guests; friends and colleagues; ladies and gentlemen: good afternoon.

I want to begin by thanking you for joining us at this year's annual planning retreat. This event is now in its tenth year. I remember the first one: 36 people were there. Today, we have more than 250.

That includes a majority of members from our State Board; the presidents of all 23 of our community colleges; their senior leadership teams; my senior leadership team from the system office; faculty leaders; and other partners. Your collective wisdom, experience and enthusiasm make this retreat so successful.

In fact, one of our community college presidents says this is the most important statewide event of the year for his staff – and I'm sure he wasn't saying that just because his college is only a few minutes down the road and he doesn't have to pay for hotel rooms. Right, Gary?

This year's event has a simple theme: Strive. Compete. Achieve. We are witnessing some of the finest athletes in the world doing that in London. But on a more tangible scale, on perhaps a more meaningful scale, we see people doing just that with their lives – and we are honored to help them along.

**Welcoming Kanter and Fornash**

I am grateful to have with us some very special friends and higher education leaders joining us today. I am, of course, talking about Dr. Martha Kanter, the United States Undersecretary of Education – and I might add, a former community college chancellor – and Laura Fornash, Virginia’s Secretary of Education.
Both of these ladies are not just impressive and accomplished leaders but they have also been friends and supporters of our mission. And today is not the first visit to our planning retreat for either one of these leaders.

Friends, please join me in offering both of them a round of applause in appreciation for their support.

Their presence today is symbolic of something that we all believe is important:

Higher education is a unifying issue in our nation. America needs more college credentials to bolster our economic prowess and prospects.

The arrows, however, are moving in the wrong direction. America once led the world on college attainment. When it comes to those behind the Baby Boomers, we’re not even in the top ten today.

Now, Martha and Laura, there might be a few things that your respective bosses don’t see eye-to-eye on; there might be a few issues that they don’t agree over. But higher education isn’t one of them.

Martha, thanks in part to your leadership, President Obama is calling for an additional five million more college graduates in America by the year 2020.

Laura, thanks in part to your leadership, Governor McDonnell is calling for 100,000 more college graduates in Virginia by the year 2025.
Both of those goals, of course, dove-tail with what the Lumina Foundation calls their Big Goal: to increase the percentage of Americans holding postsecondary degrees to 60-percent by the year 2025.

Community colleges are where the heavy-lifting will be done to reach these critical goals. The people in the room today are the key players in getting this done. We are the nation’s leading access institutions. As Southside Virginia Community College President John Cavan says, we are America’s Democracy Colleges.

So, Martha, the next time you talk to your boss please tell him:

- That the folks at Virginia’s Community Colleges are grateful for his support;
- Tell him to keep talking about our nation’s community colleges; and
- Ask him to keep working with us to reform the federal financial aid process so it serves more people, more effectively at a lower price.

And just know, Martha, that your boss has put me in a predicament. We are delighted to host his visits to our colleges but the next time he comes I need to give him either a faculty I-D or bill him for tuition and I just can’t decide what to do.

Laura, the next time you talk to your boss please tell him:

- That the folks at Virginia’s Community Colleges are grateful for his support;
- Tell him to keep talking about the prominent role we play in his signature higher education agenda; and
- Ask him to keep working with us to expand non-credit and Adult Basic Education opportunities.
MY REMARKS

Friends, I want to talk with you briefly today about three things:

- First, I want to share with you some good news about the work we have been doing.
- Second, I want to talk with you about some sobering threats facing American higher education.
- Third, I want to share with you some questions I have about our emerging role in the 21st century.

And finally, I want to highlight the retreat break-out sessions that we have for you.

ACHIEVE 2015

Let’s start with the good news.

Some four years ago with the help of a dream team of community college leaders – some of whom are in the room today – we introduced an ambitious agenda called Achieve 2015.

It was a bold six-year strategic plan. It framed a public agenda, focused on community needs.

It began with a series of open town hall meetings (with the public, business leaders, elected leaders, community leaders, K-12 leaders and our students). We asked people, “What would you do if you knew you couldn’t fail, and how can we help?”

Eighteen months later the taskforce produced the five-point plan you see behind me.

So, here we are, three years later, halfway through the plan. How are we doing?

Well, we got a lot of it right and at least one thing wrong.
We were right about the plan. This agenda gave our community colleges a head-start on those larger public policy goals that would later come at us from both Capitol Square and Capitol Hill.

We were right to set these stretch goals. It made us nervous at the time. The economy tanked as we were putting this plan together. It would have been easy to just lower our sights and hunker down. Instead, we looked around to see how many more people we could help.

So, what did we get wrong? Frankly, we underestimated ourselves. We underestimated how many people would seek their future with us.

And we overestimated how long it would take us to achieve these ambitious goals.

When you consider the U-R-P goals tucked within those five focus areas, you see that we actually have eight goals contained within Achieve 2015.

As we stand here today, ladies and gentlemen, it is a pleasure to share with you that we have already met five of those goals!

Moreover, we are on track to complete the remaining three.

Let’s take a quick look.

Our first goal has two parts:

**Increase the number of individuals who are educated and trained each year by Virginia’s Community Colleges by 50,000 to an annual total of 423,000, with emphasis on increasing the number from underserved populations by at least 25,000 individuals.**
As you can see on this first chart, we are well on our way to meeting the first part of this goal. We are now serving more than 400,000 people a year.

This next chart, however, shows that we have already surpassed the second part of the goal, increasing the number of U-R-Ps we serve by well over 50,000.

The next goal deals with affordability and it also has two parts:

**Maintain tuition and fees at less than half of the comparable cost of attending Virginia’s public four-year institutions, and increase the annual number of students who receive financial assistance through grants and scholarships by 36,000.**

As you can see here, we are well within the tuition promise. Our comparable charges are just over one-third of what the universities charge, well below the one-half point.

And here, you can see the second part of the goal dealing with scholarships, where we have already surpassed the goal – now awarding scholarships to 90,000 students.

Our student success goal is another two-parter:

**Increase the number of students graduating, transferring, or completing a workforce credential by 50%, including increasing the success of students from underserved populations by 75%.**

This graph shows you the first part of that goal, which we have already met.
And as you can see here, the story is the same for the U-R-P part of the goal – another victory.

We sought to break down some silos through Achieve 2015, so our workforce mission is interlaced with our academic mission in areas like student success. However, our next goal focuses on our impact with employers:

**Double the annual number of employers provided training and services to 10,000, with a particular focus on high-demand occupational fields.**

We haven’t reached this goal yet but we feel good about the progress you can see here. We’re now halfway toward reaching 10,000 employers.

And last, but by no means least, we have a fundraising goal that continues to pace our work of diversifying our resources:

**Raise at least $550 million in cumulative gifts and grants to support the mission of Virginia's Community Colleges.**

Much like the employers served goal, here’s another case of us being further along in progress than we are in time, and we feel confident that we will exceed that goal.

In fact, I want to applaud the more than 100 Institutional Advancement professionals from across our colleges who arrived a day early to this event to focus on what it will take to meet and exceed that $550 million goal.
Every person in this room can rightfully celebrate this news because you helped make it possible. Congratulations!

Let’s take a deep breath and enjoy that for a moment. In fact, let’s give ourselves a round of applause.

You know me well enough to know, however, that that’s not the end of the story.

So, what now? Do we just cruise, safe in the knowledge that short of a catastrophe we will exceed every goal of this six-year plan? Simply put: umm, no.

We’re talking some guidance from some geniuses – musical geniuses, that is: The Blues Brothers. Like John Belushi said in that 1980 classic, “We’re getting the band back together, man.”

Those who served on the original taskforce that created Achieve 2015 are coming back to recalibrate our goals and see if maybe, just maybe, we missed a goal along the way.

That panel will work through the fall and is being asked to submit a revised strategic plan to our presidents in December and to the State Board for its January meeting.

I would like to thank Bobby Sandel, the president of Virginia Western Community College, for agreeing to reprise his role as band leader.

REENGINEERING

But that’s not the only good news I have to share with you.
We are finding success with another “All Hands on Deck” initiative that has allowed us to
examine and re-examine everything Virginia’s Community Colleges do.

Of course, I’m talking about the work being done by the VCCS Reengineering Task Force.

Let me take a moment to say thank you to Bob Templin, the president of Northern Virginia
Community College, and his co-pilot Jack Lewis, the president of New River Community College
for their tremendous leadership of this effort.

Since we met at last year’s planning retreat, the taskforce has taken their original ten big ideas
and have put in motion nearly 30 workgroups.

Those workgroups vet, explore and refine recommendations for the task force to consider.

Obviously, that’s a lot of moving parts.

Given the intensive nature of that work and the inclusive way we go about doing it, those
workgroups will not cross the finish line at the same time.

But we’re feeling good about the ones that have. That includes:

- Breaking down silos and sharing distance learning classes to more than 1,000 students across
  the state – classes they might have never seen without that reform;

- A transition to our new developmental mathematics approach that focuses on the needs and
  the deficiencies of individual students. So far, we have only preliminary results from it.
  They’re encouraging. And they’re preparing us for this year’s reforms to developmental
  reading and writing;
• A broadening of our faculty employment spectrum that gives our colleges more ways to expand their number of full-time teaching faculty; and

• A recasting of the faculty performance review system which we believe will transform a bureaucratic process into one that ensures our colleges are hiring the best inspiring instructors and focusing on their professional development.

I would also like to mention the work being done to reform how we handle the back-office processing of financial aid paperwork.

For quite some time, we’ve had a love-hate relationship with federal financial aid. It opens doors for so many of the people we serve. But for many of those people, getting through that door can feel like an adventure worthy of an Indiana Jones movie, poisoned-darts, rolling boulder and snakes included.

Dr. Kanter, we appreciate the leadership you have provided at the federal level on this issue.

Please know that while we may have questions and even disagreements about the details, we share the goals of serving more people, more effectively and at a lower cost – and we are holding up our end of the bargain with bold reform work here in Virginia.

I’ve been asked, more than once, when do I think the work of the Reengineering Task Force will be complete?

The answer, my friends, is that it won’t be – at least not for the foreseeable future.

We are now in what’s really an era of reengineering. That’s true, I believe, even beyond our colleges.
The need to re-examine and reinvent ourselves – the very thing that we offer the people we serve – needs to become a permanent part of our M-O.

**AMERICAN HIGHER EDUCATION TODAY**

Reengineering is giving us the chance to design our colleges’ future instead of stumbling into it.

As an industry, higher education, ended the 20th century much the same way it began. While computers replaced typewriters in dorm rooms, the college experience of traditional-age students sitting through lectures; writing papers; cheering on basketball teams; and week-end parties changed little.

But as we know, this century’s forces of change are different, stronger and more fundamental. Those forces are hitting a system of higher education that’s standing on shaky ground.

Is American higher education the next Circuit City? Is it the next Border’s Books and Music?

Just this year, we are witnessing developments that feel like a prelude to crisis:

- One, student loan debt has hit an all-time high of more than $1 trillion, surpassing credit card and car loan debt. I recall similar warnings about mortgage debt just before the bottom dropped out on the real estate market;

- Two, a prominent Virginia university went through a gut-wrenching and very public leadership struggle after its president and board chair clashed on how the university is responding to change; and

- Three, we’ve seen some dramatic student protests in California as leaders there have been forced to raise what were some of the lowest tuition rates in the nation.
We simply cannot ignore these signs.

Some of you were with me in Indianapolis when we heard a national pollster – who once worked for Newt Gingrich – talk about how parents across the country increasingly fear that the cost of higher education is out of reach.

No surprise; the numbers don’t add up.

According to federal statistics, the average cost of earning a bachelor’s degree at a public university – and this is assuming that the student is attending full-time and finishing in four years – is more than $60,000. That number more than doubles if the student is attending a private university.

Meanwhile, the national median income is roughly $52,000.

What exactly do we expect a family of four to do?

The numbers are better here in Virginia, but not by much.

According to SCHEV, the average cost of earning a bachelor’s degree at one of our 16 public universities is nearly $40,000. Make that $70,000 should the student live on-campus for all four years – and finish in four years.

Meanwhile, Virginia’s median income is just over $61,000 and it’s fair to question how much Northern Virginia skews that figure.

So, again, I ask: what exactly do we expect a family of four to do?

At a time when more and more leaders agree that our nation needs more and more college graduates, the numbers simply don’t line up to get us there.
Something needs to change.

**VCCS in the 21st Century**

So, I question what does all of this mean for us? How should we see it through the filter of our mission?

Our colleges were created nearly half a century ago to do what no one else was willing to do: to address Virginia’s unmet needs in higher education and workforce training.

That mission demands our discernment; calls for our creativity; and forces our flexibility.

You know, when we first opened our doors, one of our most popular programs was secretarial science. Today, not a single college offers it. Countless examples, just like that, demonstrate our responsiveness.

As you well know, Virginia’s needs are changing quickly. This transition inspires me to ask what I consider to be three really big questions.

These questions – and more importantly the conversation that we have around them – carry the potential to define the course our colleges will take over the next decade or so.

**One**, what do we need to ensure that our colleges can be the leading institutions of regional change and economic development?

That’s a role so many of you are already being asked to play and that expectation isn’t going away anytime soon from what you tell me.
I used to describe a community college presidency as acting more like that of a town minister. Increasingly, you are being asked to be visionaries, architects and choreographers of regional change.

Where your college was once asked by others to simply fill needs, you are now being asked to identify and articulate those needs for the community you serve.

Designing courses, designing training programs, that was just the beginning. Our colleges are more than just a place where the community convenes.

We are becoming the leading institutions of regional change – the place where elected leaders, business leaders and community leaders can bring their ideas, their problems, and their aspirations to sit down together and to design a better future.

Your college is at the center of that, a community catalyst, articulating and uniting people around a vision of what your corner of the world can be.

Though its arrival has been subtle, this is a substantial change to what your colleges do.

**Two**, what do we need to ensure that our community colleges contribute to the revival of Virginia manufacturing?

Our colleges are uniquely positioned to foster the industry’s resurrection. The phrase “advanced manufacturing” lacks a clear agreed upon meaning right now. But its needs are coming into focus quickly.

Manufacturing has come a long way since Henry Ford rolled Model Ts off a new-fangled assembly line.
Do we have what it takes to keep up, moving forward? The companies we need to help can’t wait a year or two to get a trained worker. They need programs that can have people trained to work in 15 to 30 weeks.

I know we can do it.

If we don’t, these employers will look elsewhere. Workforce training is at the core of our mission. It’s up to us to keep it there.

And three, let me ask: is it time for our colleges to lead the way on creating an affordable bachelor’s degree?

There is a convincing argument to be made that our colleges should lead on establishing, creating, promoting and expanding the pathways to a $20,000, or less, bachelor’s degree.

Price wasn’t an issue that Governor Godwin and Dr. Dana Hamel, our first chancellor, thought too much about when they were creating the VCCS. But it is today.

Perhaps the space between the median income of Virginia families and the cost of a baccalaureate degree has become one of those unmet needs we were built to address.

Here’s something that we will soon be announcing publicly but I wanted you to hear it first:

The VCCS has signed a statewide articulation agreement with Western Governor’s University that will create a pathway for your nursing students to earn a bachelor’s degree in less than three years and at a cost of just $17,000.
That agreement is a great first step. It will establish a framework that we can use to develop baccalaureate pathways in other high-demand and high-employment fields like, perhaps, I-T, teaching, law enforcement, health care and certain business fields.

Five years ago, I would have told you that our colleges had no need to enter the baccalaureate game. We had more than enough on our plate to say grace over.

From conversations that I’ve had with many of you in this room today, I know that I am not alone with this. My thinking is evolving on this issue – inspired by the elevated demands of fields like nursing, where starting jobs increasing require a bachelor’s degree.

I’m inspired by the fears families have over tuition bills and the notion of shackling their children to a mortgage-sized debt for a home they don’t own. As a father of three in college, I get it.

**TWO TYPES OF CRITICS**

I won’t pretend that meeting these needs will be easy. Change rarely is. Then again, throughout my 30-year community college career, the road forward has usually been uphill.

I often find, however, that’s when we do some of our best work. At the height of this Great Recession, we shattered records for both enrollment and completion. For the VCCS, it was our finest hour.

It made me proud to be associated with all of you.

Our community colleges enjoy a wide and deep reservoir of good will. But our support is not universal.
There are two types of critics who stand in the way of our work. I describe them as one, people who don’t believe in higher education; and two – the more challenging group – people who don’t believe in themselves.

The first group, the people who don’t believe in higher education, found a hero in one of this year’s presidential candidates and a more-recent voice in a popular columnist.

While campaigning for president, one candidate said, and I quote, “Colleges and universities… are undermining the very principles of our country every single day by indoctrinating kids in…ideology.” And he called the President a “Snob” for wanting every child in America to go to college.

We saw similar sentiments at the beginning of this past summer from syndicated columnist Robert J. Samuelson, who wrote, and I quote:

“The college-for-all crusade has outlived its usefulness. Time to ditch it. Like the crusade to make all Americans homeowners, it’s now doing more harm than good…We overdid it. The obsessive faith in college has backfired.”

While I don’t believe that either represents a majority opinion, it’s good to remember that critics are out there.

It’s worth noting that while both people said that college isn’t for everyone they gave me no guidance as to which of my three children I should stop from enrolling.

The best thing that I can say about them is that they help keep us sharp.
The second group I want to mention, the most critical group we face, is made up of people who just don’t believe in themselves.

We can surpass every goal of Achieve 2015. We can keep the costs down. We can fix developmental education. We can establish workforce training programs that can prepare you for a great job in just a matter of weeks.

But none of that matters if we can’t stamp out the notions that, “College just isn’t for me,” or “I’m just not college material,” – notions I once held personally.

Dropping out of high school or refusing to attend college can doom generations of a family to a cycle of failure.

Meeting the public calls for more college graduates demands that we successfully break that cycle.

We have to break that cycle in the coalfields and the tobacco fields, where no one in the family ever needed a college degree before.

We need to break that cycle in the urban areas where children grow up not seeing a single college graduate living in their neighborhood.

And we need to break that cycle for our newest Virginians who – like our State Board Chairman Hank Chao – came here to pursue a dream and need our help overcoming the language and culture differences that can intimidate.

These 21st century students, my friends, represent our biggest challenge.
The best thing I can say about them is that they give us a reason to get up in the morning and make a difference.

AN ISSUES RETREAT

Through this retreat, we explore some tough questions – that’s the point.

We’re going to hear some great perspectives from some heavy-hitters during our plenary sessions. And we supplement that with some terrific concurrent sessions. Let me tell you about them:

You know, Senator Jim Webb is wondering why so many of the new G-I Bill dollars are going to for-profit colleges. And companies like Dominion are asking us to help them hire qualified veterans for the energy sector. It makes us wonder what else we could be doing to serve our veterans and serve them better. That’s being explored in the Strengthening Veterans Affairs session.

For a long time, I’ve talked about how some students get stuck holding nothing more than a bag of college credits. It can mean the worst of both worlds where they carry college loan debt from taking those classes but don’t have a credential worth anything in the marketplace. Some of our colleges are leading aggressive efforts to find those people help them finish a degree. That’s not as easy as it sounds, they say. You can learn more in the Reaching Completion for Students with Some College session.

When I was a beginning college student, I remember the cost of textbooks almost sent me and my mom into shock. It hasn’t gotten any better since then. Why does it have to be that way? In the age of the Internet, smartphones and tablet computers why are we still asking students to spend
hundreds of dollars every semester on textbooks? There has to be a better way. That’s the purpose behind the Teaching, Learning and the Impact of Open Educational Resources session.

I talked about hard-to-serve students just a moment ago. They’re close to my heart because I was one. And I know that my story isn’t unique among the people in this room. That’s why I suspect the Meeting the Needs of Those Who Need Us Most session will be a busy session.

As we consider ways to bring down the price of a bachelor’s degree, others have gone down this road before us. In fact, community colleges in more than 17 states already offer bachelor’s degrees. What can we learn from them? That’s the focus of the session on Developing an Affordable Bachelor's Degree. You can also learn more about how Western Governor’s University works.

Now, most of those sessions will repeat tomorrow so you’ll have another bite at the apple.

We’ll have just one concurrent session that is unique to tomorrow, though. That’s the Building a Skills Credentialing System session. Here, you can learn about what other community colleges outside Virginia are doing to rapidly respond to employer and student needs.

So, thank you, once again, for being part of this retreat. Ten years in and this is going to be the best one yet. Your passion, your ideas and what you carry back to campus is what makes this retreat so important. And I’m glad you’re here.

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i [http://nces.ed.gov/fastfacts/display.asp?id=76](http://nces.ed.gov/fastfacts/display.asp?id=76)
ii [http://www.usatoday.com/money/economy/story/2012-02-09/income-rising/53033322/1](http://www.usatoday.com/money/economy/story/2012-02-09/income-rising/53033322/1)
iv [http://quickfacts.census.gov/qfd/states/51000.html](http://quickfacts.census.gov/qfd/states/51000.html)
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