

Mr. Chairman, members of the Council, I'm Dr. James Toscano, President of Partners for College Affordability and Public Trust, a Virginia-based national non-profit organization.

Thank you for the opportunity to address you today. Before I begin, I want to thank Peter Blake and the staff at SCHEV for their professionalism and responsiveness any time I have information requests.

Governor Baliles spoke eloquently yesterday about the rich tapestry of colleges and universities available to Virginians. And he's right – we are fortunate to have some very quality institutions in the Commonwealth. I'm a proud graduate of one, where I also served as the student representative on the board of visitors; I was a vice president at another; taught as adjunct faculty at still another; and completed a distinguished political leadership program at the state's flagship.

Rich tapestry as they may be, Virginia's institutions maintain an autonomy and lack of strong central oversight that contribute to the state's affordability problems. Some stats:

- Last year, Virginia was the 7<sup>th</sup> highest tuition state in the nation
- Average student debt *just* to get a bachelor's degree is \$30,000
- Tuition and fees has risen 3x the rate of inflation – even 2x the rise of healthcare costs!
- Virginia House Appropriations reports that during the period of state disinvestment, Virginia institutions on average raised tuition and fees \$2 for every dollar that was lost
- According to SHEEO, state appropriations in VA have consistently been on the uptick since 2012
- Now net revenues (the combination of state funding and tuition and fees) are at an all-time high
- Yet, enrollment statewide is in decline

These are trendlines that should trouble anyone who cares about public higher education. The question isn't about value – our organization believes strongly that public higher education is the best ticket to upward social mobility – it's a question of whether public higher education can do better.

*It can. And it must.* These trendlines haven't appeared to deter some Virginia institutions from administrative spending sprees. Just in the last few weeks, one newspaper reported that a university is adding two new senior administrators at over \$500,000 salaries.

Another newspaper reported a different university hired a former legislator and former member of the board of visitors at a six-figure salary to help them lobby... for even more funds!

The bottom line is Virginia higher education continues to live beyond its means and the means of Virginia households.

According to the University of Pennsylvania's College Opportunity Risk Assessment, Virginia households already use 31.6% of family income after all financial aid to attend postsecondary education. And higher education socked it to students and paying-parents again this year with an average of 5% increase in tuition and fees.

At a time when public concern for student debt has reached a fever pitch and dominates kitchen table conversation, some of our institutions reveal a very Tin Ear.

Setting aside more complex issues of strategic financing and pricing, I submit to you this morning, there are 3 easy ways SCHEV could immediately improve the affordability agenda in Virginia.

#1 Clear up the question of 'Who is paying for who?' at each institution. In a House Appropriations Committee meeting yesterday, staff reported that two institutions use nearly 20% of tuition towards financial aid. There are five others in the 10-15 percent range. But the institutions that conduct the most serious income redistribution have the poorest record of enrolling Pell eligible students. Something doesn't add up, and it's eroding trust with consumers who are deeply confused about what they'll actually pay. SCHEV told me they don't keep information on what students pay by income range. I encourage you to change this.

I was honored to be selected by the National Governor's Association to participate last month in their Experts Roundtable on post-secondary financing. I'll say to you what I said to them: When only one out of 200 Virginia trustees votes

against a tuition hike, our trustees are really just administrative rubber stamps. We need to empower trustees with information that enables them to own up to their share of responsibility and work jointly with college presidents to create a true shared vision that isn't just pro-institution but balances the interests of students, paying parents, and the taxpaying public.

So... #2 SCHEV should help give trustees the tools they need to engage in substantive institution-level discussions of cost by developing a statewide report on program-level costs by institution. Until boards of visitors have access to this information and can grapple with it to address cost issues on their own, boards and presidents can't even begin to engage on simple questions of Return on Investment and fulfill their governing obligations.

Finally, #3 SCHEV should publicly support proposals that require boards of visitors to listen to the voices of students and paying parents and faculty and others before making tuition decisions. See, this public comment period has allowed me, a concerned citizen and higher education stakeholder, to share a perspective you don't normally hear. You can accept or reject what I have to offer, but I believe your policy decision making will be more well-rounded for having heard a differing viewpoint. No such courtesy is afforded Virginia's students and parents when it comes to setting tuition.

When SCHEV had the opportunity to stand up in last year's General Assembly Session and say, "Yes! We believe the voices of students and parents should be heard on decisions that affect them" – you missed this opportunity and stood by when some institutions worked to kill this commonsense legislation. I respectfully ask you to reconsider for next year and bring Virginia's largest enterprises in alignment with other state boards and commissions who routinely take public comment. See, no harm.

In conclusion, to keep a valuable degree in reach for all Virginians, higher education must lead... and innovate. And we can look inside our own Commonwealth for inspiration. In an op-ed I co-authored with Virginia Delegate Eileen Filler-Corn in the Washington Post this past week, we noted Virginia's leadership in policy and practice when it comes saving students money from the high cost of textbooks. But there's much more to be done to bring true college affordability. *We can. And we must.*

Thank you for your time.