



INDIANA COMMISSION
for
HIGHER EDUCATION

July 9, 2009

Re: Tuition Setting at Indiana's Public Institutions

Dear Editor,

Last week, the Indiana Commission for Higher Education recommended non-binding tuition and mandatory fee targets for Indiana's public higher education institutions.

The recommended tuition targets reflect months of analysis and dialogue between members of the Commission, institutional representatives and policy makers, and strike a balance between the needs of the institutions and the need for affordable access to college for Hoosier families. Both of these goals are acknowledged in the Commission's strategic plan, *Reaching Higher*.

The Commission recognizes that the trustees make final decisions about tuition and mandatory fees and are best positioned to recognize their institutional needs and capabilities and to understand the markets in which they operate. In fact, many of Indiana's public institutions have tuition and fee rates that are significantly lower than peer institutions in neighboring states and across the nation. I wanted to take the opportunity to further articulate how very important it is in the current economic environment for Indiana's colleges and universities to keep student affordability at the forefront of tuition considerations.

Already, several institutions have proposed tuition and fees for the upcoming two years above the range suggested by the Commission. Whatever tuition rates trustees adopt, the Commission challenges Indiana institutions to continue efforts to find efficiencies and reduce costs; minimize net tuition increases, especially for low-income Hoosiers; recognize the economic circumstances of the populations and communities served by Indiana's regional campuses; and find other sources of revenue before turning to Hoosier undergraduate students for higher tuition.

At a time when Indiana's unemployment is over 10 percent, with some areas of the state reaching 20 percent, many workers will be returning to college for retraining. This is something that Indiana needs. Financial barriers to college must be as low as possible for these adult students, who are often supporting families while going to school. For this reason, the Commission has urged Indiana University and Purdue University to utilize a differentiated tuition rate for regional campuses, particularly those in areas that are struggling economically. The tuition targets recommended by the Commission for all institutions consist of ranges from 0 percent to 5 percent, and we encourage the institutions to use whatever means they have to keep increases as low as possible within that range.

In addition, while an increase of 5 percent may sound small, it can translate into hundreds of dollars annually, and thousands of dollars over the course of a degree program. At a time when student loan opportunities are drying up and state financial aid cannot keep up with increased demand, a relatively small increase in tuition and fees can have a tremendous financial impact on a family. While the



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General Assembly increased funding to the State Student Assistance Commission this year, the accelerating demand for SSACI dollars will likely result in lower grant aid per student, meaning that students will have to pay more out of pocket. This, combined with higher tuition costs, could force some low- and middle-income students out of college. The Commission commends the Indiana colleges and universities that are providing additional institutional financial aid, and supports the continued development of “wrap-around” aid programs that maximize financial aid to students.

The Commission encourages parents and students to attend the public tuition-setting hearings that will be held by each institution. The dates and times for these hearings are listed below. This is an opportunity for families to express opinions about tuition and fees and their impact on college decisions.

Indiana’s colleges and universities face the same pressures and costs as other businesses. During this fiscal downturn, those pressures are especially intense. However, the Commission, in its role as a system coordinator, urges institutions to keep tuition increases at a modest level, recognizing that Indiana’s families are also under great pressure. We also encourage Indiana families to take a look at all of the institutions that make up Indiana’s system. Our system includes the right college for the right person at the right cost. It is to the benefit of all Hoosiers that postsecondary education be accessible and affordable, especially now.

Teresa Lubbers
Commissioner, Indiana Commission for Higher Education

