

2014 STATE OF HIGHER EDUCATION ADDRESS
Teresa Lubbers, Indiana Commissioner for Higher Education

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Good evening and thank you for joining us for the second annual address on Indiana's higher education system. Yesterday we were saddened to learn about the tragedy that took the life of Andrew Boldt, a student at Purdue University. Tonight we remember his family and the entire Purdue community in our thoughts and prayers.

The inaugural State of Higher Education Address was a clear sign of the growing importance of education beyond high school for our citizens and state. Tonight I will highlight Indiana's recent progress but also make a compelling case to move with an even greater sense of urgency and purpose. I'm grateful to each student, parent, educator, employer, policymaker and community leader who has joined in this critical cause: to increase the educational preparation and attainment of Hoosiers.

Data inform our thinking and decision-making in higher education today more than ever before. The numbers drive us to do better for students and our state: from Indiana's unacceptably low 40th educational attainment ranking to the shocking statistic that more than a third of our first-time college students arrive unprepared for college-level work. Our impatience to improve these and other numbers is grounded in the understanding that every fact and figure represents real Hoosiers who want to achieve a better life for themselves and their families through higher education.

And so, tonight rather than citing more statistics like these, I want to begin by sharing the stories of individuals behind the numbers.

You might have noticed a campaign that's currently running in the Indianapolis Business Journal sponsored by the Starfish Initiative, a highly successful mentoring program that operates in central Indiana. I had the privilege of kicking off their campaign and talking about my parent's belief in college and the difference education has meant in my life. Like many of you, I am a first-generation college graduate. And, my story is not unique. It's one that has played out in every city, town and community across our state—by Hoosiers who understand that their best opportunity for meaningful careers and a better quality of life comes with educational preparation.

Here are two of those first-generation stories:

Michele Lorbieski [LOR-BYE-SKI] Anderson and her twin brother were born in San Antonio, Texas to a teenage mother. With multiple moves to different homes and a mom battling drug addiction, Michele's upbringing was often chaotic and difficult.

In 5th grade, Michele's small family moved in with her grandmother. Her grandmother provided stability, but it was Michele's mom who made sure her daughter knew that she could do anything she wanted to with her life. Education was the key to unlocking that potential.

In high school Michele's PSAT scores earned her a place as a National Achievement Finalist, bringing her to the attention of DePauw University. DePauw flew Michele to Indiana. She enrolled and graduated with a Bachelor's degree in Communications.

Michele's educational journey did not end there. While visiting with family, her mother found a small book that Michele had made as a child in elementary school. It listed all of her aspirations, and what Michele had most wanted to be when she grew up was a lawyer. Michele remembered watching as her friends at DePauw studied for the LSAT, and she decided to take the test. Her scores earned her a spot at Georgetown Law, and after graduation she met her husband who had grown up in Indiana.

Michele and her husband returned to Indiana to be closer to family, and today she is a managing associate at Frost Brown Todd's Indianapolis office. After seven years of practicing law, Michele describes her career choice as perfectly suited for her personal background. In her words:

"When I was growing up I often felt like I was not as good as my classmates because we were poor. I never had friends over to my house because I didn't want them to know that we were on welfare, and we didn't have a car. The law is an equalizer. Because the law is available for anyone to learn, everyone is on the same playing field."

I think Michele would agree that the same could be said for higher education in general.

I'd also like to share the story of Alexander Beauford [BOE-FORD]:

Alex is a senior at the University of Indianapolis, majoring in public relations. He is a first-generation college student and a 21st Century Scholar. Alex has been an active Starfish member, and he recently received the Bridge Scholar Award for "Perseverance Against the Odds." He attributes his success to his mother, Taisha [TAH-SHA].

Alex was born while his mom was still in high school, and he was raised in a single-parent household. His mother always stressed the importance of education to her only

child, setting that example by earning her high school diploma while raising Alex by herself.

As a 21st Century Scholar, Alex realized that he needed to graduate in four years and to do that he would have to stay focused. When choosing a college major, he had a tough decision to make between his love of performing and public relations. His mother told him, "Talk to everyone, Alex, because you never know who will give you the next opportunity."

Following his mother's advice, Alex reached out to his Starfish mentor who is also a public relations professional. Alex's mentor arranged an internship for him and with that firsthand experience and her ongoing encouragement, Alex is set to graduate on time this May with a bachelor's degree in Public Relations.

College has not always been an easy path for Alex, but through hard work, academic preparation and the support of a committed parent and a dedicated mentor, he is succeeding and setting a positive example for his friends and family. Alex's success has inspired his mom, and now she's on track to earn her bachelor's degree from IUPUI next year. Alex may have the distinction of being the first member in his immediate family to complete college, but his mom will be the second.

I asked Alex and Michele to be with us this evening, so we can recognize their efforts and underscore the importance of stories like theirs in achieving our shared aspirations as Hoosiers.

Alex and Michele, please stand.

Thank you for sharing your personal stories with us and for your commitment to education and our state.

Ladies and Gentlemen, we can't reach our shared education and economic goals without the full participation of all parts of the state, all demographic groups, and increasing numbers of citizens who are working in industries that now require more than a high school diploma.

Today, hard work AND credentials are required for the 21st Century jobs that propel individuals and families up the economic ladder. We cannot afford to be locked into a nostalgic view of years past when hard work alone was sufficient for a good job and a middle class life. A recent Indianapolis Star editorial reflected this sense of urgency with a headline that stated, "Indiana needs to obsess over building a better-educated workforce."

It was these realities that led our Commission to adopt, "Reaching Higher, Achieving More," Indiana's strategic plan for higher education. The plan charted a bold course for creating a more student-centered, mission-driven and workforce-aligned education system that leverages the

strengths of our colleges and universities to dramatically increase the number of Hoosiers with quality education and training. Since “Reaching Higher, Achieving More” was adopted, there has been unprecedented attention on higher education issues in Indiana and we’ve seen a growing momentum to establish one of the best and most student-focused higher education systems in the country.

Evidence of that progress is everywhere.

We streamlined college credit requirements to help more students graduate on time. Prior to the passage of legislation two years ago, nearly 90 percent of degree programs at Indiana’s public colleges exceeded the traditional standard of 120 credit hours for a four-year degree and 60 credits for a two-year degree. The unintended consequence was students taking longer to graduate and often ending up with more college debt in the process. Today, this obstacle is well on its way to being eliminated with nearly 90 percent of degree programs meeting the accepted standard—a complete reversal. By curbing credit creep, full-time students who complete 15 credits each semester are all but assured to graduate on time. This single, common sense change is estimated to save students and taxpayers more than \$35 million a year.

Swirling. Students are “swirling”—transferring between campuses—more than ever before. One-third of students graduate from a different college than where they started. No effort has been more important than the work we have done to simplify the transfer of college credit. While it’s still not perfect, Indiana’s Core Transfer Library facilitates the seamless transfer of more than 85 courses. Recent legislative action created a 30 credit hour general education core and streamlined transfer agreements between colleges. These are student-friendly policies that save Hoosiers time and money and reduce the likelihood that students will be required to retake the same course offered by a different college.

The momentum to move Indiana’s higher education system forward continued during last year’s legislative session. With bipartisan support, the 2013 Indiana General Assembly passed the biggest increase in state higher education funding in more than three decades. Legislators also embraced the Commission's call to pay for what we value as a state by allocating the majority of new dollars through a performance funding formula that rewards improved degree completion, on-time graduation and related outcomes that matter most to students and taxpayers.

Student responsibility is an equally important part of this conversation. In 2013, Indiana lawmakers sent a strong signal about the importance of on-time graduation by creating credit completion requirements and financial aid incentives that encourage students to earn good grades and stay on track to graduate. We are committed to providing clearer and more direct

paths to college completion because we recognize that far too many students experience college as a maze rather than a pathway to success.

It was with that goal in mind that Governor Pence and the General Assembly joined the Commission in supporting legislation that ensures every Hoosier student has a clear, step-by-step, degree map that guides their way to graduation.

We are laser-focused on increasing on-time graduation, but it's not enough for students to complete college if they lack relevant workplace experience that prepares them for success in their chosen career path. As part of an ongoing effort to address this challenge, we are redesigning the state's work study program. Rebranded as "EARN Indiana," the program now offers paid internship opportunities to Hoosier students with financial need and a wide range of relevant career experiences in both the public and private sectors.

Of course, at a time when we're insisting that education beyond high school is essential, we must also ensure that Hoosier families can afford it. Staggering levels of student debt and loan default rates are pressuring the system to change—and it is. In response to increased support from the state, Indiana colleges answered our call to limit tuition increases with the vast majority of schools holding tuition increases at or below the rate of inflation. Purdue University led by example with its decision to freeze tuition rates on its main campus for two years and recently announced plans to continue the freeze for a third year.

The days of unconstrained tuition increases are over, and all our public universities are stepping forward to promote college affordability and minimize student debt in a variety of ways:

- Ball State, Indiana State, IU and the University of Southern Indiana have lowered their summer tuition and fees by as much as 25 percent.
- Vincennes University has instituted the "Middle-Income Hoosier Scholarship," which provides tuition reductions to income-eligible students who maintain a 2.5 grade-point average. Students who graduate in five or fewer semesters also receive a \$250 refund. Ball State is also offering a \$500 bonus for students who graduate on time; and
- Indiana State University has launched a "Graduation Guarantee" that ensures eligible students can graduate within four years. If not, they will be able to enroll in any remaining courses tuition-free.

If slowing, freezing and even lowering the cost of college becomes a pattern, this could become a significant game-changer in extending the promise of a college degree to more Hoosiers. The commensurate action, of course, is that the state must continue to adequately fund higher education.

Despite these encouraging signs of progress in eliminating barriers to college completion, we must do more to respond to new challenges and opportunities in higher education and adapt to new needs and realities. It's safe to say that while the model of higher education remained substantially unchanged for many decades, today's reality is that higher education is being transformed on every front—with a new focus on **value, quality** and **accountability**. The comfortable argument says that we're doing okay. The right one says we can and must do better.

The new frontiers in higher education include rapid technological advances and new delivery models; an increased focus on learning outcomes—what our graduates actually know and are able to do—and the critical alignment between education and workforce development. This new frontier even includes a broader definition of what we mean by the word “college.” Though many still think only of four-year degrees when someone says “college,” at the Commission for Higher Education, we include all quality degrees and credentials beyond high school, including workforce certificates, associate degrees, bachelor's degrees and beyond.

A redefinition of “college” doesn't mean that traditions don't matter, but it does mean that postsecondary education now includes a broader array of learning opportunities and options: credits earned in high school, credits gained through prior learning, military service and work experience, and credits earned by students transferring between schools. Even the idea of a college credit hour is being transformed from how much time you spent in a college classroom to what you can show that you know and prove that you can do.

Let's look at how Indiana fares in these new frontiers, starting with technology. We all know that online education is transforming and individualizing higher education at an unprecedented pace. Students are shopping options and making college choices based on time, value and cost. Nothing has altered these factors more than technological advances that enable students to attend class at a time that works best for them, often without ever setting foot on a college campus. What some might consider a disruptive departure from the traditional notion of college is proving to be an empowering force for accelerating degree completion and even reducing the cost of a college education. Indiana's higher education institutions are embracing these possibilities in thoughtful ways.

Earlier this month, the U.S. News & World Report 2014 index of the Best Online Education Programs ranked IU's Kelley School of Business and School of Education as number one and two respectively, demonstrating that online education is an important element of the educational experience. IU is embracing online education across its flagship and regional campuses to reach more students. Its IU Online website now serves as a centralized gateway to more than 100 IU degrees.

Online education is also providing students—particularly older students and working adults—with unprecedented opportunities to earn their degrees faster. WGU Indiana fulfills a unique role in this regard as our state’s only fully-online university. WGU Indiana’s competency-based model enables students to advance in their degree programs as soon they master the material rather than through credits earned or time spent in class. This approach is particularly well suited for students who need greater flexibility to balance job and family responsibilities with their studies.

Unknown to many outside the academy are the significant ways in which teaching and learning are changing and being measured. While the professor standing in front of the classroom—the so-called “sage on the stage”—is still an honored practice, we now also talk about “flipped classrooms.” This new method of teaching is turning the traditional classroom on its head by delivering lectures online and using the classroom for more personalized guidance and interaction between faculty and students.

It’s hard to predict how technology will evolve other than to say that it will continue to drive educational changes. The recent emergence of massive open online courses—or MOOCs—that enable students from around the world to learn from the most prestigious professors and universities are just the latest sign of the new innovations on the horizon.

Another innovative approach—immersive and experiential learning—has been implemented in a comprehensive way at Ball State University. This model enables students to apply the concepts they’ve learned in the classroom through “real life” projects in the community that help them acquire the practical skills needed to succeed in their careers.

Though we encourage and prize innovation at all levels, Indiana must also remain conscious of the need to safeguard academic quality as we implement new models of teaching and learning. Our graduates must display competency—not just get credit for courses. Higher education leaders should take this challenge seriously or risk the over-regulation or over-simplification of the enterprise.

It’s clear that **quality matters**—now more than ever—and students, employers and policymakers are demanding greater clarity and transparency about what our graduates know and are able to do. In this regard, Indiana colleges are working to define student learning outcomes and establish quality measures that go beyond the requirements of accreditation. Though it’s unlikely that any one single measure can accurately quantify the true value of a college degree, we must continue to work together with our colleges and universities to advance a comprehensive approach that includes:

- **Value-added assessments** that show what students know when they start college and when they graduate;
- **Portfolios** of student work that demonstrate practical applications of concepts learned from each graduate’s program of study; and
- **Ongoing surveys** of graduates and employers that provide instructive feedback about how our college degree programs equip students to succeed in their chosen career path.

We believe that one of the greatest values our Commission can provide to students and the state is being good stewards of quality data that inform decision-making and drive positive change.

In an ongoing effort to serve as a kind of “Consumer Reports” for Indiana’s higher education system, our Commission has launched a series of annual reports—**College Readiness Reports**, **College Completion Reports**, and **Return on Investment** reports—that convey the progress of Hoosier students at each stage of the postsecondary pipeline. New legislation that’s being considered by the General Assembly this session to strengthen the Indiana Workforce Intelligence System would further enhance these efforts and provide even more comprehensive and consumer-friendly information.

Not surprisingly with all the other changes in higher education, there is more focus on how our colleges are funded and the related value to Hoosiers. Now that we have refined our performance funding formula in collaboration with our public colleges and universities, we must move forward with a clear and consistent model for paying for what we value. Our goal remains the same: to sustain funding focused on graduating more Hoosiers with quality degrees on time and at the lowest possible cost. The Commission will continue its recent efforts to streamline the budget process and make the formula’s financial rewards more understandable, predictable and aligned with institutional missions. Schools can now turn their focus from the formula itself to changing the student outcomes that are rewarded within the formula.

A stronger alignment between education, workforce preparation and economic development is also changing higher education. At the Commission, we believe that higher education is compatible with meaningful work and that the development of human capital is the key to unlocking our potential as individuals and as a state. It’s not an overstatement to say that Indiana’s future—the kind of state we will be—has more to do with education and workforce preparation than anything else. In this regard, the Commission is a full partner in the work of the recently created Indiana Career Council and the statewide network of Work Councils.

Students benefit from understanding which programs and degrees offer career pathways and align with 21st Century job opportunities. The partnership between Toyota and Vincennes

University is a great example of an education program that prepares students for successful careers. This fall, the Commission released the second report in our Return on Investment series showing that the fastest growing occupations and industries are correlated with the highest levels of postsecondary education. It is indisputable that college graduates have lower unemployment, higher lifetime earnings, higher marriage rates, better health, and greater civic involvement. It's also clear that an investment in higher education is even more valuable when combined with sound financial planning, timely college completion and a realistic understanding of the available career opportunities.

Another dramatic change in higher education is evidenced in the student population, which is now more diverse in age, gender and ethnic background. No longer is the 18-year old college freshman who lives on campus the majority student. In fact, that description applies to less than one-quarter of our students today. The new majority students are first generation, low-income, working, commuting to campus and more likely to be female than male. Indiana's community college system and regional campuses are especially critical in addressing the academic and financial needs of these students as they balance work, family and school.

Our higher education system now serves a far larger and more diverse student population, many of whom are the first in their families to go college. A successful expansion of college access has also revealed glaring disparities in completion rates, particularly among our low-income and minority students. In 2013, the Commission passed a resolution calling on our colleges to cut this achievement gap in half by 2018 and close it by 2025. This is an ambitious objective but there is no way to reach Indiana's 60% education attainment goal without helping more underrepresented populations complete college. We have both an economic and a moral imperative to ensure that another generation of Hoosier students is not left behind.

As I noted at the beginning of my remarks, the overwhelming number of Indiana college students who require remediation represents a significant barrier to increasing graduation rates. Seventy percent of our community college students arrive on campus unprepared for college-level coursework and too few of these students ever graduate as a result. With the Commission's support, Ivy Tech is tackling this challenge with a complete redesign of its remedial education programs. No longer will these students be placed in a long sequence of standalone remedial courses that don't count toward their degrees.

By the end of this year, Ivy Tech will complete its transition to a new—and far more effective—“co-requisite model” that places remedial students directly in college-level courses with extra wrap around support that dramatically increases their chances for success. Based on the promising early results, we look forward to even greater progress as this new approach is replicated across all Ivy Tech campuses in 2014.

In a related effort to address the completion challenge for at-risk students, our Commission has embarked on a fundamental redesign of the state's 21st Century Scholars program. For more than two decades, the Scholars program has made it possible for thousands of low-income and first-generation Hoosiers to go to college. Though a national model in many respects, the Scholars program has not lived up to its potential in a key area: **college completion**. While 21st Century Scholars graduate from high school and go to college at higher rates than their peers, too many never earn a degree.

With support from the Indiana General Assembly, this early-promise scholarship now reflects a renewed emphasis on improving student preparation and college completion with changes that include:

- Improving college-readiness by requiring 21st Century Scholars to graduate high school with a 2.5 GPA and complete a Scholar Success Program that helps them prepare for the rigors of college;
- Keeping 21st Century Scholars on track to graduate and avoid student loan debt through new credit completion requirements; and
- Providing more consistent and coordinated support for 21st Century Scholars from the time they enroll in the program to the day they graduate from college through expanded partnerships with local schools, colleges and community partners.

Our local communities and college campuses are rising to this challenge with a host of new programs and initiatives designed to ensure that 21st Century Scholars are provided the proactive guidance and support they need to succeed. These changes are motivated not just by a need to protect the state's investment, but more by a sense of urgency to ensure that no student who has the motivation and willingness to work hard ever confronts the dashed dream of some college but no degree.

It's appropriate to ask if all this change is necessary: are we just responding to temporary pressures and do we risk losing the core mission of higher education if we become too focused on workforce preparation, value and accountability? Like most of the nation and especially the Midwest, Indiana is in the midst of an economic transformation that demands more highly educated and skilled citizens. The old model simply won't produce enough graduates with the higher level skills and education that are needed. That's why we're asking colleges and universities to innovate around 21st Century needs and to get more students across the finish line. And, it's the only way to increase Hoosiers' per capita personal income.

While this is a state of higher education address, our goal requires an integrated strategy from early childhood through career attainment. In clear—maybe even blunt—words, we must make sure students hear this message. In today's world, if you drop out of high school with few

exceptions there are no career pathways. If you go directly into a job from high school, you need a diploma and a workforce credential. If you go to college—and more of you need to—you must complete. Otherwise, you leave with no credential, limited options and often debt. And, you should also understand that the preparation needed for your first job won't be adequate for continued career advancement and upward mobility.

Moving Indiana's educational attainment level requires an "all hands on deck" effort. In this regard the Commission is enlisting the support of communities across the state. Currently, more than 60 Indiana counties have developed college success coalitions to convene educators, employers and community leaders around this critical goal. Creating a college going and success culture is difficult and time-consuming, but we are committed to working with local champions across Indiana until all 92 counties have an active and sustainable coalition working to increase education attainment and student success. Strategic plans are great but our success will only be realized when every Hoosier has the opportunity to accrue the benefits that come from education beyond high school.

There can be no doubt that we have a long way to go before reaching Indiana's big goal of 60% of Hoosiers having quality degrees and credentials, but the conditions are in place to make meaningful and lasting progress.

The state of higher education in Indiana is strong and getting stronger... valued but becoming more valuable... changing but requiring even greater change and transformation.

The Commission remains committed to working together with Hoosiers across Indiana to champion the value of higher education, the imperative to increase college completion, and the need to ensure a better return on investment for students and the state.

This is our challenge.

This is our opportunity.

Thank you and good night.