

2016 STATE OF HIGHER EDUCATION ADDRESS
Teresa Lubbers, Indiana Commissioner for Higher Education

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On behalf of the Commission, I welcome each of you who is engaged in this important work with us: education leaders, policymakers, community advocates, employers and, of course, students.

Reflecting on the last three State of Higher Education Addresses, I am encouraged by the work that is underway and the progress that has been made.

I said this in 2014 and it still holds true: the state of higher education in Indiana is strong and getting stronger, transformed but in need of more innovation, and valued but in need of better ways to increase and show that value.

It is this third charge—the need to increase and show value—that spurred the Commission to adopt its third strategic plan, called “Reaching Higher, Delivering Value.”

Maintaining our need to build a more student-focused, mission-driven and workforce-aligned system of higher education, this new plan remains focused on achieving Indiana’s Big Goal: that at least 60% of Hoosiers will hold quality degrees or credentials beyond high school by 2025.

We developed this plan with input from Indiana’s higher education and business leaders and state policymakers—understanding that each group will play a critical role in reaching that 60% goal.

The era of Indiana’s last strategic plan, “Reaching Higher, Achieving More,” was one of significant progress in higher education.

Perhaps most lauded among these accomplishments has been our focus on aligning state funding to our goals for higher education. Indiana’s pay for performance policies have been recognized as among the best in the nation.

Our higher education funding formula drives dollars to universities that increase student completion, graduate more students on time, produce high-demand degrees and close the achievement gap.

For students, Indiana is a generous need-based financial aid state—ranked first in the Midwest and seventh in the nation. In 2013, we strengthened financial aid policies to encourage more students to stay on track for timely degree completion.

The results were immediate: In just two years, we've seen double-digit improvements in the percentage of these students taking and completing the minimum courses needed to graduate on time.

With the General Assembly's help and through the hard work of our colleges, we've simplified transfer, redesigned the way remedial courses are delivered and reined in college costs. During the next four years, we will build upon these improvements to move Indiana's higher education system to the next level with a commitment to delivering value.

To make good on that commitment, our new plan has three value-aligned, overarching goals:

One – Completion: We must continue our work to ensure more Hoosiers complete a degree or credential.

Two - Competency: We must ensure that, in return for their significant investment, students can demonstrate and apply the education they earn.

And, Three - Career: Ultimately, earning a degree must provide Hoosiers a clear path to fulfilling career options that will also build our state's economy.

"Reaching Higher, Delivering Value" lays out a bold agenda that shifts our attention from the simplistic question, "Is college worth it?" to a more appropriate question: "How can we create greater value in higher education?"

The benefits are clearly known: higher incomes, greater job security, better health and stronger civic engagement.

Even with these overwhelming benefits, the value proposition higher education offers to students and society is complicated by legitimate concerns. Disparities in college graduation rates between racial and socio-economic groups. Unacceptable levels of student loan debt. And, nagging concerns about whether Indiana graduates are equipped to meet the demands of a 21st Century economy.

Overcoming these challenges depends on not only a strong partnership between colleges and the state—but also on establishing deeper connections and more meaningful collaboration at both ends of the education continuum: The K-12 schools that prepare students for college—and the employers who hire and inspire graduates to live, work and contribute to a stronger Indiana economy.

It will take all of us working together to meet future workforce need and our big 60% goal.

In the past two years, we have improved the number of Hoosiers with an associate degree or higher by nearly 2 percentage points, bringing us to about 36% overall—a significant improvement in a statistic that hasn't seen measurable change in decades.

Just this week, Lumina Foundation published the latest “A Stronger Nation” report, which for the first time provides an estimated number of certificate earners. This new data will add about 5 percentage points—bringing Indiana to 41% in total higher education attainment.

Good progress, yes, but still too far behind. We must stay sharply focused on completion if the gap is to be closed.

We will continue to measure success by not only the number of Hoosiers who complete degrees—but also by our ability to close the attainment and achievement gaps.

For 25 years, the 21st Century Scholars program has demonstrated the state’s commitment to provide opportunities for students from low-income, minority or first-generation families. The program has helped nearly 70,000 Hoosiers pursue higher education. 21st Century Scholars now enroll in college at higher rates than student from all income levels—but, still, too few are graduating.

In recent years, Indiana has taken steps to increase Scholar success rates by coupling financial aid with clear expectations and interventions designed to help these students be more prepared to complete college.

To receive their scholarships, today’s 21st Century Scholars are required to meet higher expectations and complete specific activities in high school—such as meeting a 2.5 grade point average requirement and having at least one work-based experience.

Together with our legislative partners, the Commission will work to expand requirements and expectations for Scholars at the college level—providing even more structured support to help them complete their degrees.

Simplifying the choices, streamlining processes and targeting support to students when they need it: These are strategies that benefit all college students—not just 21st Century Scholars. And it’s clear we can do a better job preparing *all* students for the academic rigor of college.

The Commission’s College Readiness Reports make clear the need to improve student preparation at the K-12 level. While high school graduation and college-going rates are at an all-time high in our state, too few high school graduates are prepared for college-level work—particularly in mathematics.

We know students need to take and complete four years of math to be ready for college-level work. Unfortunately, this is not always clearly communicated to students or their families as a priority for college readiness.

More than a quarter of Indiana’s Core 40 diploma recipients require remedial coursework in college. For those who graduate with Indiana’s general diploma, nearly two-thirds require remediation. And, most students who require remedial coursework need it in math.

These students are far less likely to complete a degree or workforce credential, and they have fewer prospects for meaningful employment and success.

And, the challenges of college readiness extend beyond academic preparation. Many students lack college-planning support. They struggle to navigate the testing, financial aid and admission processes. They often make ill-advised decisions about where and what to study and how to pay for it.

Indiana has made great strides in providing financial support and planning guidance to low-income Hoosiers through the 21st Century Scholars program. In the years ahead, we must work to better support our state's middle-income families, too—who receive little if any assistance to pay for college. Many of these families rely on student loans, and today the average Indiana student racks up about \$30,000 in debt.

The Commission will champion College 529 plans and policies to encourage early and ongoing college saving—including clear benchmarks and information to help families plan and understand the full costs of college beyond tuition.

Making sure more students are academically and financially prepared for life after college will go a long way toward increasing completion. Just as important, however, is making sure those credentials clearly represent the skills and knowledge Hoosiers need to be successful.

A traditional college degree signals to society that one has the aptitude and perseverance to complete a required number of courses. Gaining knowledge has always been the stated goal of higher education, but we need better ways for students to show what they know—both in the process of earning a degree and afterward to potential employers.

Likewise, more students should progress through their degrees based on what they've mastered—not just the number of hours they spend in a lecture hall.

It's on this point that "Reaching Higher, Delivering Value" introduces a new focus: Competency. A competency-based approach to higher education makes clear the expectations and outcomes of a credential—and more closely aligns what employers expect with what graduates can actually do.

There is no single model for competency. These programs incorporate a variety of practices to meet diverse student needs. For adult students, self-paced programs that utilize online instruction let students progress based on what they learn—providing cost-saving opportunities and flexibility.

Competency-based programs may also give Hoosiers the opportunity to earn credit for what they already know. For example, some programs allow veterans to earn credit for their military experience through prior learning assessments that demonstrate their skills and knowledge.

Even for traditional college students who come straight from high school, a focus on competency boosts college value by giving students clearly defined and demonstrated skills they can take with them into the working world.

Truly supporting more innovative practices like these will require Indiana to rethink aspects of our state's higher education system. In the years ahead, the Commission will work to ensure Indiana's performance funding, financial aid, and other policies are not barriers to competency options.

This new focus on competency has potential to enhance higher education value by conveying student learning, providing accelerated options for students and giving employers some quality assurance that graduates are coming to them prepared.

To an ever-greater extent, employers are becoming a key stakeholder in our work to improve higher education quality, completion, and value. And, this gets right at the heart of an ongoing conflict about higher education: Whether the goal is to teach students to think or to prepare them to get a job.

The real answer, of course, is that it cannot be an either-or proposition. Higher education must do both, and employers understand that implicitly. They need academically prepared and technically skilled employees, but often what is more difficult to find is employees who can think critically, communicate well and adapt to change.

A focus on competency helps address this critical balance, as does our state's recent focus on increasing work-based experiences for Hoosier students.

For too long, there's been a tendency to talk about "college and career" as if these are purely sequential steps: First you go to college. Then you find a career. It's no surprise that about half of all college graduates in this country say they would choose a different major or school if they could do it over again.

We know the value of a degree is greatly increased when career planning and exploration are integrated throughout students' educational journeys. That's why Indiana requires career exploration for 21st Century Scholars before they graduate from high school. It's also why Indiana created the state's work-study program, called EARN Indiana, to expand paid internship opportunities for low-income college students.

And these efforts are making an impact.

For example, the number of students participating in EARN Indiana internships has increased by 25%, and the number of employers hosting these EARN Indiana interns has increased by 350%—in just two years.

When it comes to providing these types of career experiences, businesses and communities are ideally situated to take the lead and forge partnerships that not only prepare students for success—but build a future workforce to support local economies.

Take the example of Dekko—a manufacturing company based in northeast Indiana. Dekko forged a unique partnership with East Noble High School and other DeKalb County high schools that offers internships for sophomores, juniors and seniors—exposing students to the full range of career options in the manufacturing sector.

Dekko views its partnerships with area schools as an investment in the company's future. Theresa Peterson, Dekko's Director of Human Resources, said it perfectly:

"We can't afford to wait around for great employees to come to us. We invest time and resources into building our own pool of potential employees. We've found that investing in young people pays dividends long-term—both in employee expertise and loyalty."

Indeed, many of Dekko's current senior-level employees began their own careers as interns—including Theresa. In 2014, Dekko received Indiana INTERNnet's employer of the year award, and we are so glad they could join us today to be recognized yet again. Indiana needs more businesses to follow Dekko's example and provide internships for students in high school and college.

We know that internships are the number-one college experience that leads to a job and one of the most effective ways to reduce Indiana's brain drain. Yet, too few college programs include an internship as part of earning a degree.

This doesn't mean colleges should convert their campuses to technical schools, but it does mean colleges should be expected to find ways to enrich academic programs with real-life, relevant work experience.

This, too, is an issue of enhancing value for every student, because it helps them make the connection between what they're learning in college and the world they will enter post-graduation.

Together, these three sections of Indiana's new plan for higher education—Completion, Competency and Career—chart the course for the Commission's work between now and 2020.

As we consider the higher education landscape in 2016, it's clear that Indiana's college campuses and student population are quickly changing. Building a stronger higher education system that delivers greater value requires unprecedented collaboration and agility across our existing system—from community colleges and regional campuses to comprehensive institutions and research universities.

It also requires meeting the needs of a very different student population. While the traditional on-campus college experience remains the best option for many students, an increasing number of Hoosiers are attending school while balancing work and family demands.

For example, we know that nearly 750,000 Hoosier adults started college at one time but did not finish. To meet our Big 60% Goal, we must convince many of them to return and complete. That's the goal of Indiana's "You Can. Go Back." campaign.

Supported by the General Assembly in 2015, "You Can. Go Back." is reaching out directly to these adults—sharing information about programs and incentives that will help them pay for college and navigate the path to degree completion.

The results so far have been swift and impressive.

In less than two months, almost 9,000 adults have responded to the campaign and about 4,000 have requested more information about college programs that fit their needs and lifestyle.

One of those adults was Cheryl Mabry from Ellettsville, Indiana. Cheryl received an email about the *You Can. Go Back.* program. With a desire to change careers and become a nurse, she took the survey to explore her options. She learned about scholarships offered by WGU Indiana designed for *You Can. Go Back.* students. And, WGU Indiana also offered her a tuition discount, because she is a state employee. The cost was unbeatable and the flexibility suited her needs. Cheryl enrolled at WGU Indiana, making a life-changing decision to return and finish a degree.

Because of *You Can. Go Back.*, more adults like Cheryl are returning and receiving incentives to attend colleges throughout the state. And, the Commission is working to engage employers, connecting them with Indiana colleges to forge new partnerships that give employees flexibility and financial support to complete a degree.

How will we know if Indiana is achieving the goals set by “Reaching Higher, Delivering Value?”

Simply, we will track our progress with measurable data to know if we’re raising attainment and closing achievement gaps. We will continue to publish annual College Readiness, College Completion, and Return on Investment reports. And, in the very near future, Indiana will have the ability to include college graduate satisfaction for the first time.

The results of the first Gallup-Indiana Survey are still being reviewed and compiled, but we have a few early findings to share with you today from participating public schools.

Based on about 8,000 alumni responses, 83% agree or strongly agree their higher education was worth the cost. They report higher levels of well-being and work fulfillment compared to college graduates nationally.

The results also underscore the need for improvement in all three sections of our new strategic plan. For example, less than half of graduates who responded indicated that they received support outside of the classroom to help them complete their degree. Just one in three graduates strongly agree they were well prepared for life after college—a key goal of competency. Too few, about one-third, say they had help from their university in finding an internship or job during college. And, only 13% got help from their university finding a job after graduation.

The Commission will release full statewide results for the first Gallup-Indiana survey early this summer. These results are just one piece of a more comprehensive measure we will unveil in partnership with USA Funds later this year.

Building on our readiness, completion and return-on-investment data, the Commission is developing a first-in-the-nation measure of college value—called the Indiana College Value Index. This new measure for Indiana’s colleges and universities will leverage the best quantitative and qualitative data available. The index will help Hoosiers answer the most fundamental questions about higher education: Will I graduate? Will I learn what I need to know? Will I find meaningful employment?

Ensuring every student can answer these questions with a resounding “yes” is the goal of “Reaching Higher, Delivering Value.”

In the last decade, we have seen Hoosiers with education beyond high school improve their economic standing while those with less education have experienced stagnant earnings and reduced job security.

Now more than ever, the question is not whether Hoosiers need higher education, but rather how Indiana can deliver greater value for students and the state.

It means helping more students graduate, making sure students learn what they need to know, and can enter a fulfilling career.

Everyone has a role to play in helping Indiana achieve these goals.

State policymakers must continue to support performance-based college funding and student financial aid policies that encourage completion.

Colleges must continue to improve and increase practices that keep students on track to graduate. They must provide high-quality programs that equip students with the knowledge they need to succeed and find ways to give all students career experiences.

More employers must be involved, collaborating with K-12 and colleges to provide more internships and help Indiana build a strong future workforce and economy.

And of course, students themselves play a critical role in maximizing the value of their own education. Even the most student-centered, responsive higher education system requires individuals with sound judgment, a strong work ethic, and a genuine interest in learning.

As a state, it’s our job to set high expectations, but students must take full advantage of the opportunities to meet those expectations.

The curiosity to seek out new knowledge. The ability to apply what you learn. The resiliency to adapt to changing circumstances. These are the skills that college graduates need, employers expect and a 21st century world demands—simply stated but far more difficult to achieve.

It will be challenging, for certain, but these challenges are nothing compared to the consequences if we fail—to our state’s economy and Hoosier families.

Indiana's higher education system can lead the nation in delivering exceptional value.

We have the right plan. We have the right partners. We have the shared purpose of building a stronger Indiana through higher education.

Let's get to work.