

2022 State of Higher Education Address

The Transformation of Higher Education: Reaching Higher in a State of Change

Thank you, Mike, for your kind introduction and for your thoughtful leadership to the Commission and our state. Your contributions as an employer, civic leader and public servant make you uniquely qualified to bring together our education and workforce communities for the benefit of all Hoosiers. It's been my pleasure and privilege to serve alongside you and benefit from your experience and counsel.

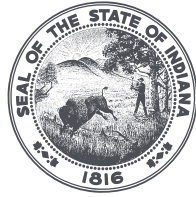
The Commission has been led by visionary leaders since our creation by state statute in 1971. We are joined today by other members of the Commission. As they stand, please join me in thanking them for their valuable service.

As I conclude my tenure as Indiana's Higher Education Commissioner, I do so with great respect and appreciation for those who have joined me in this journey. I have been inspired, challenged and encouraged by dedicated commission members, a talented staff and many other partners who share the vision to increase opportunity and improve quality of life through higher education. It's hard to make the decision to leave a career that is more a mission than a job – and that's what serving in this role has meant to me. So let me begin by simply saying thanks to those who have supported me and who are engaged in this life-changing work.

2013 marked the first State of Higher Education address. In each year there has been a focus on improving student success; adapting to changing demographics and higher education expectations; and increasing higher education's value to students and the state. As we consider the state of higher education in 2022, we will build on these themes with a focus on the imperative to transform higher education to meet the diverse needs of learners and a changing economy.

In considering what I wanted to share in this year's address, I was struck by the challenge of being both honest about the new demands facing higher education and hopeful about our resolve and ability to meet them. For those who follow trends and opinion leaders, you know that the future of higher education is uncertain – financial sustainability and enrollment declines – nationwide more than 1 million fewer students are enrolled in college now than before the pandemic, and 3 million less over the last decade. An influx of new providers and the demands of a more consumer-driven system add to higher education's uncertain future. On the other hand, exciting changes are underway to serve learners in more affordable, accessible and relevant ways.

I just finished reading the book *The Great Upheaval* by Arthur Levine and Scott Van Pelt about higher education's past, present and uncertain future. The authors opine two perspectives about higher education change – adaptation and disruption – and any thoughtful analysis would conclude that both are underway. For me, the biggest takeaway among the many plausible ones offered is that the changes that are required to build this consumer-driven system of higher education and meet workforce needs are more revolutionary than those required in the industrial revolution or likely any time before.



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We would expect that higher education would lead the way and thrive in this knowledge-based economy, but the evidence of that is mixed at best. There will be winners and losers. It's not inevitable which providers fit into which category, but there are some fairly clear signs of those who will survive or fail.

For today, let's consider these issues through an Indiana lens – beginning with the truth that Indiana is home to some of the best higher education institutions in the nation. People come to Indiana to attend our colleges and universities – both public and private. We are home to world-class research institutions, student friendly four-year campuses and the nation's largest singularly- accredited community college.

Is this enough to predict that our seven public systems and 29 private institutions will thrive or survive? I don't believe so. The ones that do will resist the temptation for incremental change but rather embrace the reality that students – young and older – will expect a dramatically different system of learning and ways of showing their competence.

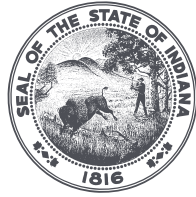
First, higher education will need to be more affordable, and institutions must find ways to bend the cost curve. That's happening on many campuses, and when tuition is stabilized enrollments are more likely to increase. As new providers enter the higher education space it should be expected that competition will drive down costs. And that's a good thing at a time when more Hoosiers will need education beyond high school.

We should acknowledge with appreciation the commitment of state lawmakers to address college costs through sustained and generous financial aid benefits – nearly \$400 million annually. In addition, legislators have embraced a funding formula that distributes state dollars based on completion outcomes rather than enrollments. After all, the most expensive proposition for a student is debt – especially debt that is not associated with the completion of a degree or credential.

The cost of higher education – whether it's perception or reality – is causing more people to question whether college is worth it. There are other reasons, too, but affordability tops the list. At the Commission, we have engaged VOX Global to do a deep dive into the perceptions of higher education. We need a better understanding of why college-going rates in Indiana are decreasing.

Five years ago, 65 percent of high school students were choosing a higher education pathway. Today, that number is 59 percent. And for low-income, Black and Hispanic students, the number is significantly lower. Gender matters, too. Sixty-five percent of young women are still pursuing higher education while that number has dropped to 51 percent for male high school students. It's worth noting that we interviewed and surveyed Hoosiers around the state from different backgrounds and education levels, hearing from students and adults who are not choosing higher education, as well as the nearly 60 percent who are choosing college.

But even for many of those who choose higher education, there is skepticism about affordability and relevance. To ensure that postsecondary programs are relevant to workforce needs and student aspirations, we have advocated for career relevant experiences for all degree programs – such as an internship, apprenticeship or other work-based learning opportunity.



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The college value conversation is at a tipping point, and for the sake of ensuring personal prosperity and meeting workforce needs we need to address the skepticism. I raised this issue in my state of higher education address in 2018 and that skepticism has only increased since that time — again especially as men and minorities are disengaging from higher education at higher levels.

When I was coming of age this didn't matter as much. Good job opportunities had existed for those with a high school or even an eighth-grade education. I entered college at a time when opportunities and jobs were changing — and many people were left behind. Indiana's per capita income which had exceeded the national average continued a downward trend.

Play that reality out to today when more jobs — and nearly all new jobs — require education and training beyond high school. If we don't get that message across, we risk driving income disparity and social stratification even more.

In our interviews, we learned that a majority of Hoosiers — around 80 percent — feel “favorable” toward college but when we got underneath that number, we learned that many think it's not the right path for them. Others said it just wasn't necessary. While that may be true for some who attain credentials of value in other ways, the truth is that it is a risky proposition to walk away from the promise of education beyond high school.

In addition to affordability and relevance, we heard that higher education must be more accessible and flexible for those who are balancing jobs, families and other responsibilities. If COVID taught us anything, it was that institutions must and can be nimble in how they deliver education — and that for many Hoosiers the option to learn without going to a classroom was — and is — critical. Even as we provide these opportunities, we also recognize that residential, in-class or hybrid learning experiences remain the best options for many. Bottom line: we must make higher education work for people who need different pathways to attain the benefits of higher education.

So, what needs to endure and what needs to change? Quality must be preserved regardless of the setting, length of the program, the age or life circumstances of the learner or the credential that is earned. The employers who hire our graduates deserve nothing less than the assurance that the degree or credential indicates knowledge and skill needed for the job. On the job training and additional education may be necessary as requirements change, but the credential should be a valid measure of competency.

How we measure competency is changing, too. The credit hour is increasingly called into question as the measure of learning, and truthfully it was never intended to do that. It was a way of measuring how much credit a student receives based on the hours spent in that course and not the knowledge gained. Measuring outcomes and mastery of competencies is still a complex and sometimes confusing landscape. But we should anticipate a growing focus on new ways to teach, assess and track competencies.

Higher education must also adapt to the changing landscape that values learning gained in multiple settings — including knowledge gained outside the classroom. In the recent legislative session, the Commission was called upon to develop a clearinghouse for credit for prior learning. How are we or how should we measure what



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Hoosiers have learned both in and outside the classroom and give value to that experience or knowledge? This is especially important for adults who enter or return to higher education.

I've highlighted only a few of the challenges confronting higher education. I also want to share examples of how Indiana is a leader in this time of revolutionary change.

Understanding that many Hoosiers are concerned about affordability, the Commission has partnered with institutions to limit tuition and reduce borrowing and debt. Indiana ranks first in the Midwest and fifth in the nation in providing need-based financial aid, and we have seen some of the lowest rates of tuition increases in the nation over the past 10 years. Our soon to be released College Cost and Financial Aid report underscores the value of financial aid investments with recipients earning at least two and a half times what was invested in them only three years after graduation.

Working with our K-12 partners to advocate for early college credit, nearly two-thirds of Hoosier students now graduate from high school better prepared for college-level work. Additionally, a growing number of high school graduates have earned an Indiana College Core certificate, which is a block of 30 credit hours of general education coursework that can be transferred seamlessly to all public Indiana institutions and some private schools. High school students can earn these credits for \$750 or less, giving them a head start toward earning a two- or four-year degree and saving thousands of dollars.

Our 21st Century Scholars program is a national model and Scholars are on target to close achievement gaps for low-income, minority and first-generation students and already exceed the college-going rate across all populations by nearly 30 percentage points.

Daleigh Miller is a junior at IUPUI and a 21st Century Scholar from Booneville. She works on campus and is majoring in Sustainable Management and Policy. Daleigh says without the scholarship, she likely wouldn't have gone to college. Here's what else she had to say about her experience with the Scholars program:

"Now, I'm so glad that I am in school because I've realized my passions and made so many great connections within the field I want to work in, which is sustainable tourism. I don't know where I'd be right now without the experiences I've been given through this program."

Leroy Medrano is a 21st Century Scholar alumni who was recently interviewed by local television stations. When Leroy was growing up, he never pictured himself going to college. The cost of higher education was a major barrier, and he knew his mother would never be able to afford to send him to a university.

In middle school Leroy learned of the 21st Century Scholars program, and at first, he admits he wasn't even considering pursuing higher education. That changed when one of his teachers told his mother about the Scholars program and encouraged Leroy to go to college. "Just that impact alone," he said. "That little conversation this teacher had with my mother, really just got me thinking like 'oh, maybe I can go.'"

Leroy's story is not only a testament of the impact of the 21st Century Scholars program, but it also illustrates the importance of having the right messengers. Without his teacher saying she could see him going to college,



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Leroy may not have enrolled in the 21st Century Scholars program. He may not have gone on to Purdue University, where he's now wrapping up his first semester of graduate school. Different messengers – such as teachers, guidance counselors, faith-based organizations and community leaders – resonate with different students and families, and they're critical to improving Indiana's college-going rate.

While Leroy is unable to join us today, Daleigh is here. Daleigh, please stand as we acknowledge your good work and promising future.

They are just two of thousands of success stories through the 21st Century Scholars program – over 45,000 since the program's creation in 1990. There are over 100,000 students currently enrolled between 7th grade and college. Our data show they are succeeding – not only in the college-going rates I cited earlier, but also in completion. 21st Century Scholars on-time college completion rates at two- and four-year colleges have nearly doubled.

Even with the impressive college-going and success rates, only about half of income eligible students are participating in our state's promise program. This demands an all-hands effort to ensure more of our eligible students and families know about the benefits of enrolling and get the support they need to maintain eligibility throughout high school and college.

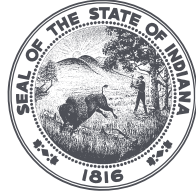
Another area where our state leads is in our efforts to ensure quality online and distance education. Indiana became the first state to join the national organization, NC-SARA, to reduce the costs and ensure quality of distance education across state lines – more important now than ever. We were first, and now 48 other states have joined us.

Recognizing that credential transparency is increasingly important and with nearly one million credentials available, Indiana was the first state to engage with Credential Engine – a platform designed to allow learners to show their skills and knowledge and explore career options while employers will be better able to understand which skills and competencies potential employees have mastered through their credentials.

Through the Governor's Workforce Cabinet, Indiana is a national leader in aligning funding, programs and policies of workforce preparation — from early childhood to returning adults. Over 57,000 Hoosiers have enrolled in a high-demand certificate program and nearly 32,000 Hoosiers have completed a certificate for free, leading to an almost \$7,000 annual wage gain.

Employers are also benefitting from opportunities to upskill or reskill their employees through the Next Level Jobs program. More than 3,000 employers have provided training and more than 30,000 Hoosiers have received training and increased their wages by more than \$4,000.

Recently, Tony Carnavale of the Georgetown University Center on Education and the Workforce was quoted about the impact to our economy of not enough students in the college pipeline or people trained for 21st century jobs.



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“The direct loss to the economy is the workers themselves,” Tony said. “If they were trained and ready, they would get higher-wage jobs and they would add more to the GDP, making us all richer and increasing taxes, reducing welfare costs, crime costs, on and on.”

This brings us back to the value of higher education often being called into question. In spite of the many reasons why higher education has value, we also see evidence of distrust played out in culture and free speech divides on campuses. A commitment to free speech led the General Assembly and the Commission to address this issue by surveying students about their concerns in expressing their views. We are working with Gallup and the institutions to measure perceptions and ensure that multiple perspectives are welcome.

Higher education is often labeled as not being adaptable, but I believe this is a lagging narrative. Over the past two years due to the impact of COVID, we’ve seen institutions adjust how they deliver education and respond to changing needs. Schools had to switch to online learning; extend admissions deadlines and reset their academic calendars; adjust to travel restrictions; and deal with expenses caused by technology costs, student refunds and emergency relief funds.

Another example of adaptability can be seen through institutions adjusting their curriculum and programs to meet the needs of the knowledge-based economy. There is no better illustration of this than the changing landscape in IT curricular offerings. Institutions have added in-demand programs such as cybersecurity while updating or removing others to keep up with the emerging needs of students and employers.

We know higher education is capable of change. By prioritizing overall quality and focusing on affordability, access and relevance, Indiana’s higher education system will be poised to adapt to future uncertainties.

We must show Hoosiers that education and training beyond high school provides more than a degree or certificate. Higher education can open doors to additional career options and economic mobility. As a first-generation college graduate, I know the transformative power of higher education, and as Commissioner of Higher Education I know that higher education must also be transformed to meet the needs of today’s learners and employers.

As I conclude my role at the Commission, I am convinced that higher education is positioned to play its pivotal role to reach our Big Goal that at least 60 percent of Hoosiers will have a quality credential beyond high school by 2025 — ensuring economic mobility, a better prepared workforce and a state that will thrive in a time of change and opportunity.