

# Decision 2020: Electing Indiana's Future

## Higher Education

SEPTEMBER 2020 • ISSUE 20-EIF08-07



INDIANA UNIVERSITY  
**PUBLIC POLICY INSTITUTE**  
Center for Civic Literacy

### INTRODUCTION

Higher education in Indiana, as elsewhere, is at a crossroads. While in the past, those with a high school diploma fueled Indiana's economy with high-paying jobs in fields like agriculture and manufacturing, education beyond high school is now essential for economic security. And while agriculture and manufacturing remain essential parts of Indiana's economy, the job requirements have changed, as have the skills needed in other growing sectors such as health, life sciences, information technology, and business services.

These economic changes are informed by two key facts. First, technological advancements are altering the skillsets required for good jobs. Ninety-nine percent of all jobs created since the Great Recession required workers with at least some education beyond high school. Second, an increasingly diverse student population needs higher education to ensure economic mobility. Our citizens, our employers, and our state need higher education to become more flexible and innovative. To meet these realities, we must flip the model of higher education to put students, not state agencies or institutions, at the center.

### INDIANA'S HIGHER EDUCATION SYSTEM

Indiana's approach to these issues will be managed by the Indiana Commission for Higher Education, which is charged with planning and coordinating Indiana's system of postsecondary education. The commission is charged with developing initiatives—known as its Big Goal—that afford every Hoosier student the opportunity to obtain a quality degree or credential. Indiana's Big Goal—aligned with the state's workforce needs—is for 60 percent of working-age Hoosiers to have a quality degree or credential by 2025.

Currently, the commission has implemented the following steps to meet that goal:

- A performance funding formula that rewards institutions for improvements in student success metrics, such as overall completion, on-time completion, and STEM degree production. The performance funding formula was recently modified to reward initiatives that seek to close socioeconomic and racial or ethnic achievement gaps.
- Need-based financial aid programs that award nearly \$350 million annually to help Hoosiers afford college, making Indiana first in the Midwest and fourth in the nation in providing need-based financial aid to students. This is particularly important in a state with decreasing college-going rates.
- Annual reports that track state progress by measuring college readiness, completion, value, and equity.



In order to reach state goals, Indiana relies on a comprehensive, diverse system of higher education institutions, including seven public institutions, 30 private, not-for-profit institutions, and nearly 30 institutions authorized by Indiana’s Board for Proprietary Education. Included among these colleges and universities are research institutions at the cutting-edge of scientific development, the nation’s largest community college system, public metropolitan and regional campuses helping Indiana’s major cities and smaller communities thrive, and small liberal arts colleges in every corner of the state.

## GUIDING VISION

Improving Indiana’s higher education performance will depend upon pursuing policies geared toward the following questions:

- How can we improve higher education’s value proposition for Hoosier residents, employers, and our state?
- What about higher education needs to change, and how can we capitalize on opportunities for innovation and growth?
- What is higher education’s contribution to the economy?
- What is higher education’s commitment to equity?
- What has the COVID-19 pandemic exposed about higher education and how do we address these challenges?

Indiana’s newest strategic plan for higher education, *Reaching Higher in a State of Change*, hopes to meet these challenges with a plan dedicated to student success and focused upon three key areas: completion, equity, and talent. Considered separately, each one is essential to ensuring higher education is preparing Hoosiers for today and for the future. Considered collectively, they provide a pathway for a stronger Indiana economy and a better quality of life for Hoosiers.

## CURRENT CHALLENGES AND RECENT PROGRESS

**Completion: When learners pursue and complete credentials that provide individual opportunity, it naturally strengthens Indiana’s economy.**

The call to increase completion rates has been a foundational goal for the past decade. Strategically aligned with the Big Goal of 60 percent attainment for working-age Hoosiers by 2025, completion rates are inextricably linked to the state’s ability to meet workforce demands, given that nearly all new jobs require some education or training after high school. For individuals to achieve any measure of economic security, education beyond high school is critical.

What is meant by completion has changed. It is no longer tied to a singular credential; the rapidly evolving landscape of the workforce requires lifelong learning and continual reskilling. This new reality challenges higher education institutions to create new models that will fill the gaps and meet

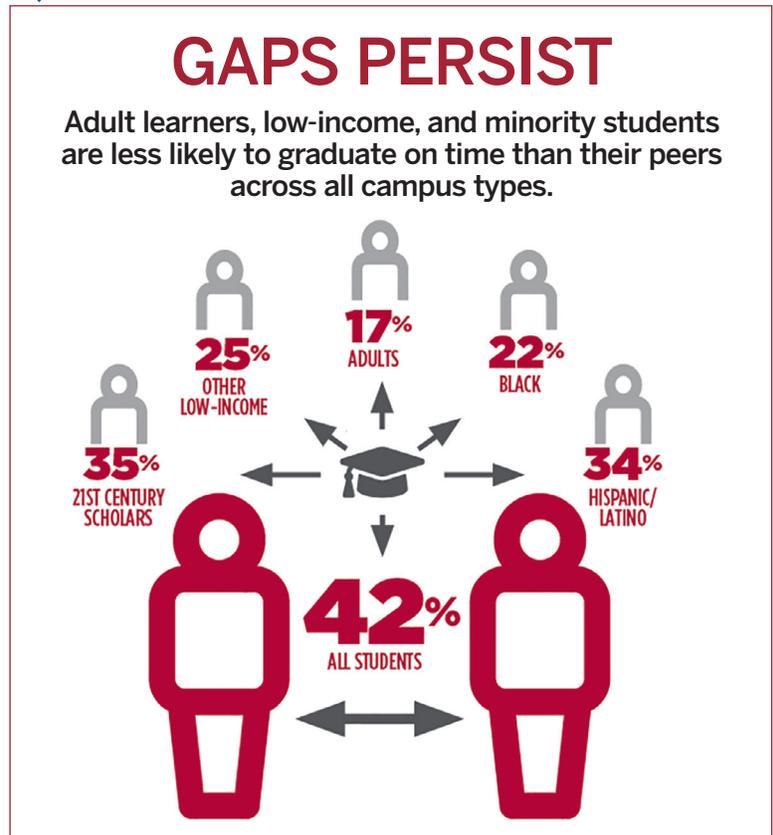
the demand. Higher education must develop a comprehensive view—including everything from micro-credentials to graduate degrees—allowing learners to build their skills throughout their careers.

A major challenge is the fact that too many students fail to complete the postsecondary programs they attempt, leaving them with no credential and often with substantial debt. There are signs of progress, however: 49 percent of Hoosiers have earned a quality degree or credential, an increase from 33 percent in 2008. More than 42 percent of learners graduate on time, an increase of over 13 percentage points during the past five years. Extended time completion rates are also on the rise. Nearly 62 percent of learners graduate within an extended time frame.

**Equity: Life’s circumstances or obstacles should not dictate opportunity to succeed.**

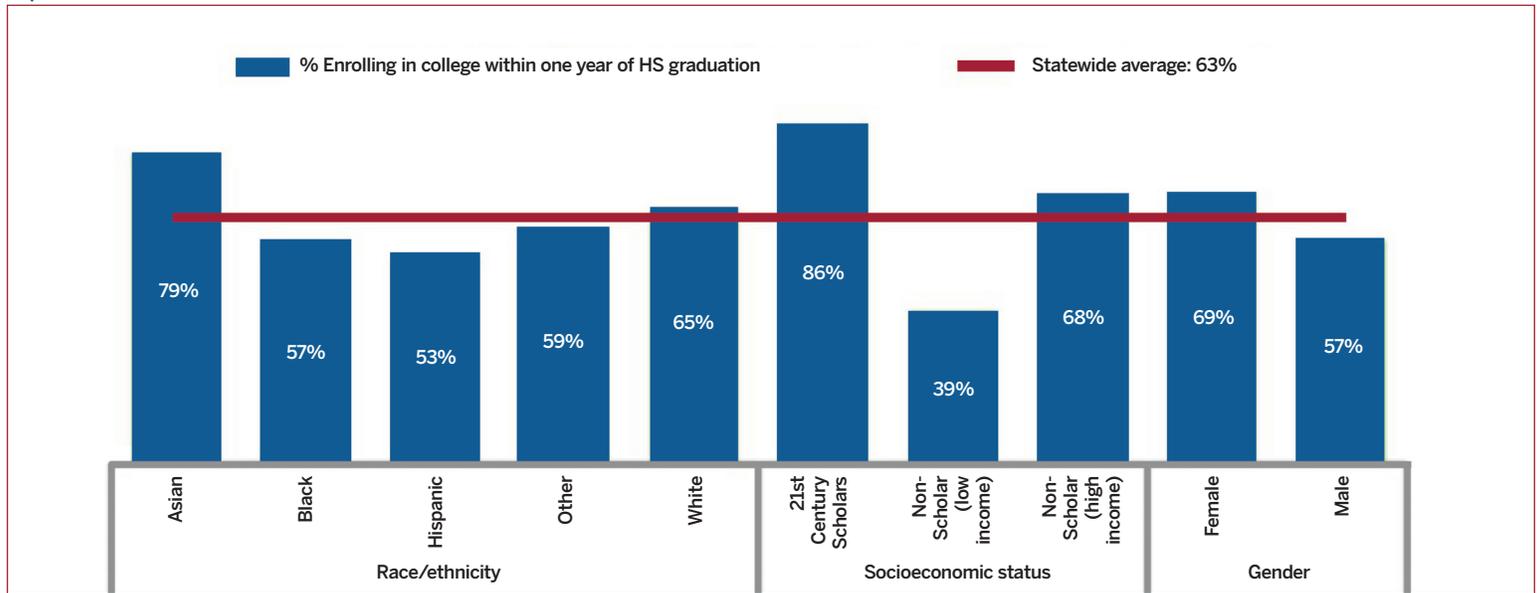
Equity is at the forefront of the education challenge. All Hoosiers deserve access to higher education and the opportunities it affords. Population projections indicate that Indiana will become increasingly diverse during the next several years, increasing the need to focus on equity for low-income and minority learners as well as other populations reflective of the demographics of our state—age, gender, veteran status, persons with disabilities, foster youth, incarcerated Hoosiers, and learners in rural communities.

Figure 1. Percentage of students graduating on time



Source: Indiana Commission for Higher Education, College Equity Report 2019

Figure 2. College-going rates by student demographics (2017 high school cohort)



Source: Indiana Commission for Higher Education, College Equity Report 2019

Equity is often measured by observing where it does not exist: the gaps among learners from different backgrounds and demographics. These differences in outcomes are known as achievement gaps. In 2013, Indiana’s Commission for Higher Education resolved to cut the achievement gap in half by 2018 and close it by 2025. In 2018, the Commission released its first College Equity Report—a first of its kind in the nation and a report that shines a brighter light on persistent gaps. The 2018 report showed that the achievement gaps—as measured by college attendance, early success, and college completion—were over halfway closed for low-income and minority learners. Nevertheless, significant gaps remain.

Achievement gaps have been further complicated by COVID-19, which has disproportionately affected Black, Hispanic, and low-income communities. These populations, along with individuals without a degree or credential, account for the highest shares of jobs lost. If Indiana is to prevent this pandemic from causing further income disparity and social stratification, the state must provide outreach and support focused upon improving equity amongst these heavily impacted constituencies.

Indiana’s 21st Century Scholars program, a promise program for low-income students, has had success in closing these achievement gaps. Students in this program have the highest college-going rate in the state, with 86 percent of scholars enrolling in college within one year of graduation compared to the state average of 61 percent. Additionally, scholars are exceeding their low-income and minority peers in metrics that track early college success, such as the need for remedial coursework and persistence rates. Initiatives and supports for our scholar population—coming from K-12, higher education, community organizations, and the state—are working, giving us a guidepost as we seek to expand these efforts to provide supports to all students.

**Talent: Talent is about developing and unleashing potential to drive the state’s workforce and economy.**

Higher education is ultimately about equipping people to be successful on the job today while developing into adaptable, lifelong learners who will thrive throughout their careers. That means broadening the traditional definition of higher education to include the wide array of skills, credentials, and degrees learners develop and earn. We must move past the “either-or” depiction of higher education and workforce to a more productive and meaningful focus on developing talent because Indiana’s economy needs top-notch talent with the skills and expertise to get the job done.

To do so, higher education must align itself more closely with the needs of employers, developing new and innovative partnerships between communities, businesses, and education. Not only will this help us meet workforce demand, but it will ensure that more programs are focused on career relevance, increasing the value proposition of higher education.

Research confirms that higher education improves individual outcomes and strengthens the economy. Over the course of a lifetime, Hoosiers with education beyond high school are likely to earn \$1 million more than those with only a high school diploma. Additionally, each class of Indiana public college graduates contributes \$13 billion or more in spending and tax revenue to the state’s economy. Hoosiers with a high school diploma or less are more than twice as likely to file for unemployment. The COVID-19 pandemic has exacerbated these outcomes.

Along with skyrocketing unemployment rates, COVID-19 accelerated the salience of many higher education concerns. Enrollments have declined. At the same time, the state has seen an increased demand for online and hybrid learning. State institutions are rising to the challenges. The shift to

online learning in the spring was quick and fairly effective. Staff and faculty of many institutions spent the summer learning and innovating.

Another challenge to both equity and the need to improve completion rates revolves around questions of higher education's value and affordability. As college enrollment rates stagnate and decrease across Indiana, it will be increasingly important to demonstrate the value of higher education to learners of all ages. That means ensuring that Hoosiers can afford it. Indiana's recent tuition and mandatory fee increases are among the lowest in the nation, and tuition and fee increases at Indiana's four-year public institutions were the third lowest in the nation of a 10-year period. The state will need to retain this commitment to affordability and to need-based financial aid programs if progress is to continue.

## POSSIBLE SOLUTIONS

The roles to be played by the Indiana's Commission on Higher Education and the state's higher education institutions is outlined in Indiana's most recent strategic plan for higher education, *Reaching Higher in a State of Change*. The blueprint focuses on pathways and transitions, affordability, community engagement, and the educator pipeline and quality.

In 2020, Indiana's Commission on Higher Education is focusing on the following action items in each area.

### **Pathways and transitions: Ensure the right fit for every learner.**

- Increase the number of adult learners enrolling/re-enrolling in postsecondary programs by targeting populations who have exited the postsecondary pipeline or have never entered it.
- Require all postsecondary programs to have an internship, work-based learning, research project, or other student engagement experience that has career relevance.

### **Affordability: Decrease the cost of college and reduce the reliance on debt to increase completion and promote lifelong success.**

- Increase the number of students earning intentional dual credit in high school.
- Use proactive outreach to increase the number of learners from priority populations taking advantage of existing financial aid programs created to support them.
- Require all high school seniors to complete a FAFSA (Free Application for Federal Student Aid) on time, with an opt-out provision included.

### **Community engagement: Foster a culture that values lifelong learning and develop partnerships that improve the economic health and vitality of communities.**

- Align state agency and stakeholder messaging and communications resources around the value of education and lifelong learning.
- Create access to postsecondary opportunities in rural areas through the use of technology, broadband, and innovative delivery models.
- Leverage opportunities for communities, institutions, and employers to work together for people of color as well as rural, veteran, and low-income populations.

### **The educator pipeline: Focus on strengthening and supporting Indiana's classroom teachers, counselors, and school leaders.**

- Ensure early college credit opportunities are available in all schools by helping more educators get the training they need to teach these courses.
- Encourage more people of color to utilize state scholarship funding to increase diversity in the teaching profession.

### **Quality: Emphasize excellence to ensure lifelong learner success and meet employer, economic, and civic needs.**

- Develop a more comprehensive view of completion and include a wider range of credential types in data collection—including short-term and non-credit credentials.
- Ensure quality of all postsecondary programs by measuring outcomes for graduates and using that data to inform program-level decisions about financial aid eligibility.

## CONCLUSION

The challenges in higher education have never been greater, but neither have the possibilities for innovation, transformation, and collaboration. If Indiana's leaders are to create a state environment that is a hub for opportunity, economic growth, and personal well-being, they must create an educational system that affords all Hoosiers the benefits associated with a degree or credential while ensuring that the programs and opportunities being offered are aligned with both current and future employment and workforce demand.

## Indiana University Center for Civic Literacy

The Center for Civic Literacy is a multi-disciplinary center. It was first established with support from an IUPUI Signature Center grant. It was created in response to recognition of Americans' troublingly low levels of civic knowledge, and to investigate both the causes and consequences of widespread civic illiteracy—the lack of basic knowledge needed to make informed public judgments. Our mission is to increase public understanding of our civic deficit and its effect on democratic decision-making, and to identify and promote the use of effective tools to help educators and others correct the problem. The Center for Civic Literacy fulfills its mission through scholarly research and publication, public teaching, and community-based partnerships.

## Indiana University Public Policy Institute

The Indiana University Public Policy Institute produces unbiased, high-quality research, analyses and policy guidance to promote positive change and improve the quality of life in communities across Indiana and the nation. Our clients use our research to enhance their programs and services, to develop strategies and policies, to evaluate the impact of their decisions—and ultimately to help the people they serve. Established in 1992, PPI is part of the IU O'Neill School of Public and Environmental Affairs.

## Decision 2020: Electing Indiana's Future

Every four years, in conjunction with Indiana's gubernatorial election, the IU Public Policy Institute (PPI) sponsors a Gubernatorial Candidates Forum. This year's event will be broadcast by WFYI and other Indiana Public Broadcasting Stations, as well as available for viewing at [go.iu.edu/Decision2020](http://go.iu.edu/Decision2020). The event is intended to further the mission of PPI and its Center for Civic Literacy (CCL) to produce unbiased, high-quality research, analyses, and policy guidance to promote positive change and improve the quality of life in communities across Indiana and the nation.

Cities and states today face significant issues and their elected officials have considerable latitude in addressing those issues.

In Indiana, the 2020 gubernatorial and legislative elections will determine how the state pursues policies in education, infrastructure, taxation, health care, environmental policy, and much more. These policies affect us in meaningful and sustained ways on a daily basis. In order to cast an informed vote, citizens must understand what the issues are, the candidates' approaches to those issues, and the legal and political systems within which they must make their preferred policies work.

CCL faculty and staff identified key policy areas facing Indiana in 2020, and enlisted experts in each of those areas. The resulting issue briefs provide policymakers and citizens with important context, background, and identify critical policy issues. Each brief is based upon research and analysis of available data about the state of Indiana, and includes comparisons with other states as well as national trends. Each guide also points readers to local and state level resources offering additional information on the topic.

We thank Lumina Foundation for its support for this project and the forum.



This publication was prepared by the Indiana University Public Policy Institute (PPI) and Center for Civic Literacy and is part of the Decision 2020: Electing Indiana's Future series of publications.



**Author: Teresa Lubbers**  
Indiana Commissioner for Higher Education



INDIANA COMMISSION for  
HIGHER EDUCATION