



## **2015 STATE OF HIGHER EDUCATION ADDRESS** **Teresa Lubbers, Indiana Commissioner for Higher Education**

**February 23, 2015**

Thank you, Dennis, for your introduction and, more importantly, for your strong leadership as Chairman of the Commission for Higher Education.

On a regular basis, you remind us to stay focused on the goal of increasing student success, and you do that personally every day as President of the Center for Leadership Development. You have devoted so much of your life to serving the cause of learning, and our state is better for it.

Gathered today in this historic Capitol building to consider higher education in 2015, we feel the weight of Indiana's history and the prospect of its future. We are mindful that both are written by men and women who dedicated themselves to learning, commerce, and public service.

It's hard to be in this place and not honor those who generously shared their talents to make our state stronger and better: past leaders like Eli Lilly, May Wright Sewell, Booth Tarkington, Madame Walker and Herman Wells.

And, Indiana's living legends: contemporary leaders, such as Danny Danielson, a man whose life has embodied the intersection of business, education and public service.

He's an IU grad who served our country in the United States Navy and rose through the sales ranks to become president of Modernfold Door in New Castle. After nearly 30 years there, he became Vice Chairman of City Securities Corporation, Indiana's oldest and largest investment banking firm—and he has been there more than three decades.

He is certainly a man renowned for his visionary business acumen, but his legacy doesn't stop there. Danny was the chairman and longest serving member of Indiana University's Board of Trustees. He has provided counsel and financial support for the development and growth of the IU East Regional Campus, the IU School of Medicine and Ivy Tech's New Castle campus.

Currently, he is on the Board of Riley Children's Foundation, Chairman of the Walther Cancer Foundation, an Elder in his church and Director of the Indiana Basketball Hall of Fame Foundation.

If you can think of a business or education award, Danny has likely received it, including Indiana's highest honor, the Sachem Award, in 2009. Upon receiving it, these were his words:

"The Sachem award says that in Indiana, we value not only what people do, but how they live their lives."

Danny sets the best example of anyone I know. He is 95 years young, and he is with us today. Please join me in thanking Danny for his leadership, public service and commitment to higher education.

Danny Danielson's words upon receiving the Sachem Award speak to the greater purpose of education. In addition to preparing people to enter the workforce and earn a living—education is about preparing people to live meaningful, fulfilling lives.

This is no earth-shattering revelation. I believe education leaders know this inherently. Yet, our measures of success tend to focus on the career attainment and salary range of graduates. These are essential metrics for success that we capture in our Return on Investment Reports, but they cannot be the only factors we consider.

The challenge is this: How do we quantify something as fundamental but intangible as living a meaningful life?

On this front, as on many others, Indiana is leading the way. Purdue University, in partnership with Gallup and Indianapolis-based Lumina Foundation, developed the Gallup-Purdue Index to measure the satisfaction and well-being of college graduates.

The first report, released in 2014, studied more than 30,000 U.S. college graduates. The results reflect the challenges we know exist in higher education and, equally important, they give us hope.

They show that students are more engaged on the job, in their communities, in their personal lives when colleges meet their needs. Among other factors, the results highlight the value of strong student-faculty relationships as well as meaningful job-focused learning experiences before graduation.

In short, the results confirm what we've known all along: Students get the most value out of their degrees and credentials when we give them the skills, attention and experiences they need to succeed in their careers and our modern economy.

This truth is indisputable: The demand for more highly educated citizens is increasing while opportunities for those without postsecondary credentials are declining.

It's why we set a state goal of 60 percent of Hoosiers having a quality degree or credential by 2025—because that's what two-thirds of the jobs will require.

More than ever, Indiana's prosperity and the opportunity for our citizens to live secure and purposeful lives depend on creating a culture that places a higher value on education, including credentials, certificates and degrees.

Are we making any progress in changing that culture? If asked to give Indiana a grade for our higher education progress, I would give us an "Incomplete." We have—in dramatic and important ways—shifted our focus from merely enrolling students to making sure they complete degree programs and credentials.

Yet, we have not yet seen the level of progress needed to adequately transform lives or our state's economy. While inching forward, we still rank in the bottom ten states in terms of educational attainment.

But, while our education attainment may be near the bottom, our innovative policies and strategies aligned to student success are recognized among the top ten in the nation.

Three issues are now driving Indiana's redesign of education—the value of college, the importance of timely completion, and the need to show knowledge.

“Is College Worth It?” We have all read or heard the countless stories casting doubts about the value of postsecondary education in an era of escalating tuition costs and a tough job market. The irony, of course, is that higher education has never been more important. All indicators support the reality that incomes are higher, unemployment is lower, health is better, and public and civic participation are greater for college graduates.

Since we know that return on investment and affordability issues are knocking at the door of value, we must be prepared to address these real concerns.

In Indiana, we are doing just that.

Tuition increases have been lower in the last two years than witnessed in decades, with most public schools holding increases at or below the rate of inflation—or freezing tuition all together. Our higher education leaders now use terms like “productivity,” “accountability” and “value” as they advocate for the state's investment in higher education.

Our Return on Investment Reports show in clear, compelling ways the costs and benefits of higher education, including college costs, student debt, and the financial payoff for students and the state.

We are now working to strengthen this report by incorporating additional measures that look beyond cost and salary to gauge the extent to which our graduates are finding fulfilling careers and leading productive lives.

Next, we understand that time is the enemy of completion.

We have all heard and been inspired by the stories of impressive individuals who finally managed—through sheer grit and determination—to earn their degrees after six, eight, or even 10 years. These stories are very moving, but frankly, it shouldn't be that difficult or take that long to realize the promise of a college degree or career credential.

What could we have done to make it possible for more students to graduate on time? What about those who didn't complete at all?

Furthermore, think about the financial investment that corresponds with this investment of time and will. The most affordable degree is an on-time degree, and piling on debt by delaying graduation is a serious problem. Borrowing money and not graduating is disastrous.

The data are clear that the longer it takes students to complete their degrees, the more likely it is that life will get in the way—and the less likely they are to graduate at all. And, we know there are long-lasting benefits for students who graduate on time. The Gallup-Purdue Index found that graduates who completed their degrees on time are twice as likely to be positive about their college experience.

These realities are driving Indiana's new financial aid reform incentives that encourage students to stay on track for on-time graduation by completing 30 credits per year—or 15 credits each semester. We're sending this same message home to all Indiana students through our state's "15 to Finish" Campaign. Across Indiana, students, advisors and other key partners are responding to our collective call for on-time completion.

On this front, we have some very encouraging news to share. Just one year after financial aid reforms went into effect, we are already seeing double-digit improvements in the number of students enrolling and completing 30 or more credit hours per year.

This is a giant step toward better graduation rates, more affordable college degrees and a stronger Hoosier workforce. It shows that higher expectations paired with financial incentives work and are powerful drivers of student success.

Just as important, Indiana's colleges are responding in-kind. With degree maps to get and keep students on-track, streamlined degree requirements that reverse costly credit creep, and financial incentives for students—our institutions are doing impressive work to encourage timely graduation.

The third issue driving Indiana's higher education redesign strikes at the very heart of the higher education enterprise. Increasingly, employers—and as a result, the general public and policymakers—are challenging the assumption that a college degree is the badge for knowledge.

Whether they earn a credential in high school and go straight into a career or pursue a post-secondary program, the new standard for success is whether students can apply what they know outside the classroom.

To this end, all types of new measures of knowledge are emerging, and we expect this trend to continue. More and more employers are engaged in formal and informal on-the-job training—amounting to \$590 billion annually nationwide. However, according to the Georgetown Center for Education and the Workforce, most of this investment complements—rather than replaces—a college education.

What we're witnessing in Indiana is a blurring of the lines between education and employment.

A still small but growing number of young students are receiving postsecondary education and job training at the same time—sometimes even in high school. And, more older adults are deciding to return and complete their education while working.

Here again, our colleges are responding in significant and measureable ways. Indiana institutions are learning how to consider and measure the knowledge students bring to the table upon entering their programs.

For example, we are providing college credit for members of our military through rigorous assessment of that knowledge. This work with military service men and women is informing our efforts to assess the larger student population—especially adults who are returning to higher education to attain a degree or credential.

Knowledge has become the new currency and—regardless of when or how it was acquired—we must ensure that skills gained through work and life experience are considered and counted in moving students toward a quality degree.

Together, Indiana’s work in these three areas—increasing the value of college, ensuring timely completion, and showing knowledge—has built strong momentum toward the type of large scale culture change we need in higher education. But, it’s not enough to improve our state’s economy and create more meaningful lives for all Hoosiers.

To do that, we need our institutions of higher education to identify and face the needs of our modern economy head-on. And that means a determined departure from the insulated world of academia—where the sage-on-the-stage, in too many cases, remains the status quo.

Building on what has been the most successful higher education system in the world, we are facing new demands from employers, state policymakers, and our consumers—Hoosier students. To their credit, our colleges understand that now is the time to step down from the stage and take an honest look around.

Employers are demanding more educated and trained employees, and employers must be active and engaged partners in helping higher education create the employees they need to succeed. New models that blend educational preparation with workplace experience are emerging.

It should be the rule—and not the exception—that students have quality work-based learning in all disciplines—not just engineering, education and nursing—as a core component of their education experience.

The Index found that only 6 percent of graduates strongly agree that they had a meaningful internship or job in college. Students need more job-focused experiences that enrich their academic learning.

Colleges can do this by making internships and partnerships with faculty, industry and organizations widely available—and expected—for all graduates. For colleges, this will require redesigning the curriculum and greater collaboration and alignment with the business community.

Indiana's Career Council and 11 regional work councils are informing this important work and establishing these critical partnerships. Governor Pence and Lt. Governor Ellspermann are leading these efforts and challenging employers to add 10,000 internships or other work-based learning experiences.

To tackle this head on, the Commission—in partnership with educators and employers statewide—will launch Indiana's first-ever Career Ready campaign this spring. This effort will teach more students about Indiana's wide range of career opportunities, the educational pathways that lead to employment, and the many workplace experiences—from job-shadowing to internships—that make them better prepared and more attractive to employers.

It's not just employers that are demanding more—states are, too. We achieve a diversified and stronger economy through a better-educated workforce. Every additional degree earned produces greater personal wealth and contributes to the state's economy. In our Return on Investment Report, we found that by adding 25 graduates for every 100 students, state tax revenue will increase by \$1.5 billion.

State policy that funds colleges based on performance is showing great promise, too. In two key metrics—overall degree completion and completion for at-risk students—we have seen our gains over the last biennium more than double. Even our improvement with on-time completion saw significant acceleration.

Finally, more individuals are looking to higher education as a path to a better life.

It's clear that job opportunity, economic advancement and true career pathways are inextricably linked to education beyond high school. And, we know it pays off for students. More than improving our state economy, college graduates earn an average of \$20,000 more per year than non-college graduates.

Admittedly, there's still a lot of work to be done if we want to successfully meet the needs of a diverse student population.

It starts with greater alignment between K-12, higher education and the workforce to make sure all students are college or career ready. It includes a focus on adults and those already in our workforce. Nearly 750,000 Hoosiers have some college but no degree or credential. We need to get them back, and our Return and Complete initiative will provide support for them to come back and finish what they started.

It also depends on addressing the changing demographics and serious achievement gaps that exist and persist in our state and nation. A recent study by the Pell Institute showed that the gap in degree attainment between the nation's wealthiest and poorest students has doubled during the last 40 years.

In 2013, 77 percent of students from the nation's top economic quartile earned degrees—something only 9 percent of students from our nation's lowest quartile achieved.

There is no better example of Indiana's progress narrowing that gap than our 21<sup>st</sup> Century Scholar Program. For 25 years, the program has provided scholarships for students to attend public or private colleges if they qualify financially and meet performance expectations.

They must complete meaningful college and career readiness activities. They must graduate high school with a GPA of at least 2.5 and complete at least 30 college credits each year. For their efforts, they can receive up to four years of paid tuition—and the program is working.

More than increasing salaries and our state economy, this program is transforming lives.

Recently, I received a message from one of our scholars, Brandon Morgeson. Brandon will graduate from Ball State University in May. His family circumstances made him the primary caretaker in his household at an early age. He entered the workforce at 15. The 21<sup>st</sup> Century Scholars program engaged Brandon before high school and kept him on track for graduation.

It also opened doors for Brandon that would have otherwise remained closed—such as strong connections to professors and potential employers and an internship with the State Senate. That internship led to a job as a Session Assistant.

We managed to steal him from the General Assembly for this address: Brandon, will you stand and be recognized?

This brings me full circle to where I began my remarks—talking about the purpose of education in preparing people to live meaningful lives: That intangible thing you can't measure by looking only at someone's bank account.

Brandon already is solidly on the path toward fulfilling our goals for students. He is on-track to complete his degree. He had the support of programs and professors who cared and encouraged success. And, he had a quality internship to make that critical connection between classroom learning and real-life application.

We want every Indiana college student to have the kind of life-enhancing experience Brandon has enjoyed.

In recent months, there has been a lot of talk in our nation's capital about a federal ranking system for higher education institutions. Rather than waiting for an answer from Washington, a coalition of proactive states and institutions can lead the way in providing a fuller picture of the true value a quality higher education delivers.

New tools like the Gallup-Purdue Index are inspiring change at the college level. Purdue is using the results to transform the student experience with more focus on faculty-student interaction, increased internships, on-the-job training and creative use of technology.

I know that several other Indiana schools are exploring a partnership with Gallup, and we want to capitalize on this momentum. Indiana can and should be a national leader in quantifying the impact of the college experience with richer data and more meaningful measures.

Building on the national Gallup-Purdue Index, I am pleased today to announce the creation of a custom version of this study for the state of Indiana. Our goal is to help other Indiana colleges drive positive change while informing college consumers and policymakers alike.

With this new measure, we can provide a more complete answer to the question, “Is college worth it?”

We recognize that there is a cost associated with this endeavor, which is why I’m also pleased to share that with funding support from USA Funds and Gallup, the Commission has negotiated a discounted price for colleges that sign up to participate before June 30, 2015.

We have much to learn and gain from this type of survey, and I encourage our institutions to join us in striving to better gauge the collective impact of our higher education system. What better way to identify consumer needs, challenges and opportunities than by talking directly with graduates and assessing the most essential outcomes of higher education—upward mobility, economic advancement, personal fulfillment, and civic engagement.

We all know someone who exemplifies what Danny Danielson meant about valuing not only what people do but how they live their lives: People who inspire us to do more—not only for ourselves but also to serve others and our communities.

Danny is the living example of what we want for higher education in Indiana: For him, it was never a matter of keeping up with the changing economic landscape. He led the way.

Indiana is poised to do the same by focusing not just on the jobs of today, but on the jobs and challenges our students will face well into the future—whatever it may bring.

Abraham Lincoln said it well: The best way to predict the future is to create it.

We have long believed that education is the engine for opportunity and that education beyond high school is important for upward economic mobility—especially for individuals from the lowest-income families.

The many benefits that accrue to those who receive a quality degree or credential are matched by the measurable benefits to our state’s economy.



Indiana's higher education system can give men and women the tools for a meaningful life—even in today's complicated, hyper-connected society and modern global economy.

We will do it by facing these changes, by meeting our students, communities and businesses where they are—instead of expecting them to take what we provide for the price we determine.

Because, ladies and gentlemen, the burden is on us now, as it was our predecessors, who leveraged our state assets to build a strong 20<sup>th</sup> century economy. Our best hope—and our obligation—is to build the human capital needed in the 21<sup>st</sup> century economy.

If it sounds like I'm making it personal, that's because it is.

It's personal for Brandon Morgeson, for Dennis Bland and Danny Danielson. It was personal for Madame Walker, Herman Wells and Eli Lilly.

Higher education is about elevating individuals. It's about human dignity, self-respect, care for others, our health and future—all are affected.

For this reason and so many others, it's time for Indiana to increase efforts that give more Hoosiers the educational tools they need to live meaningful lives.

Our state depends on it.