



2024 State of Higher Education Address

Reflecting upon Legislative Outcomes and Sharing Early Indicators of Success

Thank you, Jud, for your kind remarks, and for your advice and counsel these past two years. You have not only been supportive, but you have provided remarkable leadership as we face head-on the challenges and opportunities with education and training beyond high school. To the other members of the Commission for Higher Education, Mike Alley, Dennis Bland, Anne Bowen, Bill Hanna, Al Hubbard, Nancy Jordan, Chris LaMothe, Chad Lochmiller, Pepper Mulherin, Dan Peterson, Tom Saunders, and Retired General Erika Steuterman, each day I am thankful for your leadership, partnership, and friendship. Your commitment to higher education and the well-being of our state sets an example of servant leadership.

Thank you, also, Jerilyn and Jordan for being here today. You are two of my three rocks on this earth. Jarrod, of course, is busy finishing his MBA in Chicago, and cannot be here with us. I love all three of you more than anything.

Good afternoon, distinguished guests, colleagues, partners, friends, and family. I am delighted you could join us as we take stock of the state of higher education in Indiana. My message to you today will be one of hope. Hope in the form of Hoosier opportunities and possibilities through education.

When we gathered a year ago in this great hall, my commitment was to be very candid and transparent about the challenges, to illustrate ways in which together we might address them, to set high expectations for all of us, and to begin laying the groundwork for a strategic plan of action.

Since that time, people here, and others throughout the state, have been working tirelessly toward those ends, executing with deep commitment and fidelity in the process. Today, challenges certainly remain, but we have more reasons than in decades to be hopeful about the potential for positive impact. Let me share more.

More than a decade ago, our state adopted a big goal to have more than 60 percent of our working-age adults equipped with some form of training and education beyond a high school diploma. At the time, the measure concentrated on associate degrees and higher. We were 39th in the nation. According to the most recently available data, from the spring of 2022 when I was asked to take on this role, we are still 39th in the nation. I said last year and will say it again now, that is unacceptable.

Certainly, progress has been made in related areas, specifically at the sub-associate degree levels with technical certificates, certificates, and industry certifications. In that space, Indiana is fifth in the nation. Overall, our state ranks 28th. We can and must do better.

When assembling here a year ago, I shared the fundamentals of the challenges we had identified. In response, I introduced what we were just beginning to call the HOPE Agenda – Hoosier Opportunities and Possibilities through Education. It challenges us to be a top 10 state by 2030 in seven important measures.



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First, our college-going rate had been precipitously declining for more than a decade, down to 53 percent overall. Second, our adult population had not been pursuing training and education beyond a high school diploma at a rate to remain competitive in today's workforce. Third, credit for prior learning, a proven strategy to account for work experiences and training of adults to receive college credits, was only being fully leveraged in a handful of states. Indiana was not one of them.

Fourth, our college completion rate had been improving for several years, but still one-third of students never graduate or take longer than six years to receive their diploma.

And fifth, a focus on graduate retention. Our public and private universities attract students from across the country and the globe. Indiana ranks ninth best in the nation because of the great value offered here, but we are 36th in the nation at retaining graduates.

Building off the subsequent success of those five areas will lead to a broader vision of the last two goals of the HOPE Agenda.

The sixth area of focus is the measurable distinction in economic and social mobility and prosperity. Why does this matter? Because we know with additional levels of educational attainment beyond high school, the prospects for an individual, her or his family, employers, and communities improve. In terms of economic data, each level of education, moving from no high school diploma to a high school diploma, then an associate degree or some college, and then a bachelor's degree or higher, there are significantly better results in terms of unemployment, labor participation rates, wages, and net wealth accumulation. The unemployment rate for someone without a high school diploma is more than three times higher than a college graduate. Their labor participation rates in the same comparison are about 30 percentage points higher for a bachelor's degree holder. Median wages are about twice as high for a bachelor's holder than for a high school graduate.

Social outcomes are also starkly different. Infant mortality is twice as high on average for a home of individuals with less than a high school diploma. And, life expectancy is 13 years greater in the home of the college graduate. With each level of education and across these and other economic and social factors, there are marked improvements.

Lastly, our seventh goal is to be a top 10 state to grow or start an enterprise based on the strength of human capital. Our state is already top 10 in terms of a business-friendly environment, taxation, regulation, infrastructure, and so forth. We can absolutely be a state where our greatest strength is human capital.

Economic and social mobility and prosperity, along with strength of human capital, should just be part of our regular conversations. Related, over the past couple of years, I have been provoked and inspired often, including by a few books, on these words. A common thread, as you might guess, has been the role of higher education. Whether in *Slouching Towards Utopia*, or *The Rise of the Global Middle Class*, or *Leadership*, this role has been clear in the advancement of individuals and societies. The fact is, what we know as "the middle class" is something that did not exist some 225 years ago. Today, however, demographers are starting to predict when



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the five billionth person will be considered part of “the middle class,” as we have well exceeded four billion. That is breathtaking.

To a great degree, and often cited by researchers, certain things claim much credit for the rapid expansion of the global middle class. Things like trade, markets, the modern corporation, the division of labor, production, the willingness to take risks, and others. However, the thread of education, and especially higher education, is clear, knits together, and is critical to the fabric of this march toward the middle class out of poverty.

The rate at which productivity has increased alone over the millennia of human existence has accelerated over the past two hundred years at an exponential pace. From automobiles and medicines to agriculture and technology, advancements have come through once-unimaginable inventions and people able to execute them with keen skills and capabilities. Research, testing, modeling, and the like have been possible because someone had gained knowledge through education. Further, workforces have been developed so that innovation might be brought to life, marketed, and monetized to the betterment of countless individuals in the concentric circles beyond the original idea. All of this results in economic and social mobility and prosperity through strength of human capital and provides the underpinning for the incredible expansion, and preservation, of the global middle class.

As we began developing a strategic management plan and work to these ends, we realized this could not be done alone. So, a year ago, we formed the Partnership Pentagon. We invited leaders from five areas across civil society to help us, push us, and sometimes pull us. Now, dozens of leaders from business, education, government, community- and faith-based organizations, and philanthropy meet with us regularly. A set of policy and programmatic recommendations around this work, and to complement the HOPE Agenda, will be forthcoming this summer.

In addition, we have reorganized our agency internally to improve efficiency and effectiveness. One key thing we have done is to create a business intelligence team. You will see more of their work over the coming months as we move from reports constituted primarily of two-year-old lagging data to real-time dashboards, focusing on each metric of the HOPE Agenda, with the lagging data, but including leading indicators and forecasting around our initiatives. And, for the first time in our agency, each individual has three goals related to at least one of the HOPE Agenda measures.

With further and unwavering support from Governor Holcomb and the legislature, significant movement has been made in the past 12 to 18 months, and early indicators are offering evidence of that success.

The Frank O’Bannon grant, specifically geared toward helping low-income students, was increased by 35 percent, restoring cuts that were made in 2009 during the Great Recession.

Historic legislation was signed into law less than a year ago expanding the 32-year-old 21st Century Scholars program. Because of this, we are now able to automatically enroll eligible students in the seventh and eighth grade, rather than trying to chase them down before they go to high school.



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In 2022 prior to automatic enrollment, our state only enrolled about 20,000 students, less than half of those eligible. On June 30 of 2023, we enrolled all eligible eighth-grade students, exceeding 46,000 Scholars.

This work does make a difference. And, it matters. 21st Century Scholars have an 81 percent college-going rate, while their low-income peers, those who in the past did not get signed up, have only a 30 percent going rate.

One student who truly embodies the potential of the 21st Century Scholars program is Shye Robinson. Shye currently serves as Student Body President of Purdue University West Lafayette and is a double major in political science and brain and behavioral science.

Shye's road has not been an easy one. She is a first-generation college student and spent much of her childhood in the foster care system. I credit Shye's perseverance and drive that have brought her to this place. But sometimes, there are barriers outside of the control of students preventing them from pursuing their education and career dreams. Shye has said, "I am who I am today because of the people I've met, the places I've gone, and the experiences I've had at Purdue."

With 21st Century Scholars, we can ensure students like Shye don't have the financial burden and have access to extra support and resources they need to ease their transition into college. Shye was unable to join us in person today but let us all take the time to acknowledge her current and future successes.

Beyond 21st Century Scholars automatic enrollment, we had multiple other wins throughout the legislative sessions. After failing several years, legislation requiring the FAFSA for graduating high school seniors passed. We are now the eighth state in the nation to make this a requirement.

Next, funding was made available for career coaching and navigation grants which will help connect high school students with college and career options. This opens the potential for even younger students to begin exploring, engaging, and experiencing these options.

Additionally, our team initiated what is now called the Indiana: Pre-Admissions strategy, the third of its kind in the nation. Matching up students' GPAs and SAT scores, with requirements from almost all of our public and private institutions, we were able to notify about 80 percent of this year's high school seniors of the colleges and universities to which they could be admitted right here in Indiana. That was nearly 57,000 students who learned that on average they would be accepted to 24 different institutions. For some students, it was as high as 38. Our goal here was to create a much friendlier marketplace for students and their families. And, to keep as much talent as possible in Indiana.

This September, we will be able to notify all Indiana high school seniors, some 75,000 or so. This initiative has influenced additional proactive enrollment approaches from our universities. For example, Teagan Rose, a senior at Shortridge High School, learned that she would be directly admitted to Indiana University Indianapolis. This was made possible by the institution's new seamless admissions initiative with Indianapolis Public Schools. Now, Teagan is on her way to IU Indy in the fall. Please stand, Teagan, as we celebrate your accomplishments.



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I have heard countless stories from parents and students about the impact Pre-Admissions had in inspiring hope for students who might not have realized how close they were to pursuing their dreams.

Further, our team stepped up to my challenge of significantly increasing the number of schools offering the Indiana College Core. When I arrived two years ago, only 84 high schools out of more than 500 offered it, after a decade of being in existence. Four months later, that number was up to 149. For this school year, 222 high schools offer it, and we are on the way to 300. The Indiana College Core benefits students by saving time and money, allowing them to graduate from high school with essentially a full year of college credit already under their belt. Students who enroll with this credential are shown to go to college at over 90 percent and earn a degree at the highest rate of any students.

Also, Career and Technical Education found its permanent home at the Commission on July 1, 2023, which I have felt for a long time would make complete sense. CTE provides college and career preparation, with the opportunity of earning credentials while in high school through stackable pathways. The alignment with our mission and other work is just completely logical.

Lastly for 2023, with strong support from the Governor and Indiana General Assembly, we proposed and have now begun implementing a revised Outcomes-Based Performance Funding formula to expand on the already existing area of completion. This accountability and incentive structure now focuses on enrollment, completion, graduate retention, and research. This is the most comprehensive revamp of the formula in its history.

Building on the progress from late 2022 and 2023, Senate Enrolled Act 8 was a priority bill this session for Governor Holcomb and the Commission. Authored by higher education champion, Senator Jean Leising, it passed unanimously in both the House and Senate. It has four distinct areas of focus. The bill requires all high schools to either offer the Indiana College Core or provide implementation plans to the Commission, which should effectively more than double the schools offering it.

Further, this new law standardizes the reverse transfer process, requires our four-year public institutions to offer or make plans to offer bachelor's degrees in three-year formats, and charges our team with examining the feasibility and advisability of four-year institutions offering associate degrees. This helps individuals who ultimately would have stopped out after earning enough credit for an associate degree. All of these elements in Senate Enrolled Act 8 are aimed squarely at making college attainment more likely through increased accessibility and affordability.

So, what are some of the early indicators and results from these strategic initiatives?

- For the first time in 13 years, higher education enrollment is up in Indiana.
- Our completion rate now places Indiana at 11th in the nation.
- Each of our public institutions has a strategic plan to aggressively address graduate retention, again, to keep talent right here in our great state.



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- A formal framework to fully implement credit for prior learning was officially adopted just last month, placing Indiana as one of only nine states to do so.
- And, recommendations from the first of three strategic task forces focusing on adult populations, specifically for veterans and those in military service, are being implemented.

Moving forward, what will be our focus? We will continue to be candid, transparent, and focused on operational excellence as we implement with speed and fidelity. As I noted earlier, our Partnership Pentagon will offer recommendations aligned to the HOPE Agenda later this summer. At about the same time, we will wrap up the most comprehensive consumer research ever conducted in the history of Indiana, focused exclusively on the value and value perceptions of higher education in our state. The data and insights from this in-depth study will bring forward additional strategies and initiatives to complement the HOPE Agenda. We must understand better the realities, concerns, questions, attitudes, wants, and thinking of consumers, who might be future students and learners. To do anything less, would be arrogant and negligent.

Lastly, we will be talking more about, and encourage you to join us in sharing, the shining examples our state is already offering in higher education. We will be shedding some Hoosier humility.

Indiana is first in the Midwest and fifth in the nation in providing need-based financial aid to students. The Commission administers over \$400 million in state aid each year. As I mentioned earlier, Indiana is fifth in the nation at sub-associate degree attainment. Our higher education institutions are sixth in the nation at holding the line on tuition for more than a decade. In fact, when accounting for inflation, our tuition rates have actually decreased by two percent.

Again, I remind you our state is ninth best at attracting students from other states and countries to our public and private institutions. Some people wait each year for arbitrary rankings in the media, but I am someone who believes in the blunt truths of free markets. Our state holds this ranking because we have incredibly high-quality institutions, providing their offerings at a competitive price which is backed up by a state that is supportive of and committed to this work, especially as shown these past couple of years.

One of the reasons Indiana is bending the curve and leading the way is because of the innovative and impactful work being done at our seven public universities and colleges. In alphabetical order:

- Ball State University has created the County Ambassador Program which supports recruiting, mentoring, and retaining their students in Indiana;
- Indiana State University's *Indiana State Advantage* program provides tuition and academic support to under-resourced students and has increased persistence by 7 percentage points;
- Indiana University recently announced more than a quarter-billion-dollars-worth of investments in life sciences and biotechnology education and research;
- Ivy Tech Community College has implemented their Career Link+ strategy at each campus, driving structured career strategies for each student;



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- Purdue University recently announced the nearly four-billion-dollar investment by AI chip manufacturer SK hynix Inc. to build an advanced research and manufacturing facility;
- University of Southern Indiana has launched the Pre-Screagle Summer Institute, an initiative to support first-generation students in their transition to higher education; and
- Vincennes University has announced its four-and-a-half-million-dollar expansion of their aviation maintenance programming across the state.

Innovation and Impact. Our state's public universities and colleges are leading the way.

Today, I want to close with a similar tone to last year's: one of HOPE. Last year was the wake-up call, and this year the data tell us we are on the right path, but work remains. As some of you who know me well might guess, I am pleased, but not satisfied. With the combined efforts of policy, partnerships, and programming, driven by clear strategy and goals, underpinned by a strong strategic management process, and with an understanding of and service to students at the heart, we are working to create a culture in Indiana around the importance of higher education and more broadly training and education beyond a high school diploma. Even more importantly, this work is centered on creating more opportunities and possibilities for economic and social mobility and prosperity for every one of our fellow Hoosiers.

Leading indicators, such as enrollment and others I've shared today, are telling us that these efforts are starting to work. Please help us lift up this vision, these strategies, and initiatives that are taking place in higher education in Indiana. I ask you to be involved – however that may look – in building on the momentum gained over the past two years.

Before we formally meet here again, I look forward to working with all of you over the next 52 weeks to improve outcomes for Hoosier students, employers, communities, and our great state. I am hopeful that when we gather here next year, we will have even more progress to celebrate. Thank you for the grace you have shown me each day. And, please accept my heartfelt gratitude for all you are doing, and will do, as we move forward together in service.