



2019 State of Higher Education Address

Supporting pathways for high school graduates and returning adults

Thank you, Chris, for your continuing leadership of the Commission. You are uniquely qualified to lead us at a time when bringing together educators and employers holds the best promise of meeting workforce needs by investing in the people who do the work. The Commission has been led by visionary leaders since our creation by state statute in 1971 – and none more suited for this role than you. For nearly three decades, you have been at the center of many of the state’s most important education and economic discussions. As we consider the challenges and promise of higher education in 2019, we look to you and other Commission members to build on a strong legacy to ensure an even better future for more Hoosiers.

We also have in the audience other members of the Commission; as they stand please join me in thanking them for their valuable service.

Let me begin by saying that the State of Higher Education in Indiana is strong and getting stronger. More Indiana students are graduating from college than ever before and on-time completion rates are improving across all Indiana public campuses – an increase of 14 percentage points in the past five years.

The return on investment in higher education is measurable and increasing, too. The added earnings of a degree more than exceed the total cost of college, including debt, within a few years after graduation. While the value of higher education is undeniable, the return on investment depends greatly on what students study and how they finance their education. More than three-quarters of graduates stay in Indiana upon graduation and are contributing \$13 billion dollars or more in additional spending and tax revenue to the economy compared to Hoosiers with only a high school diploma.

The good news story should not mask the reality that higher education must evolve and progress is not assured without a continuing focus on student success, accountability and innovation. At the Commission, we are committed to meeting these expectations in partnership with the colleges and universities who prepare students for the jobs of today and tomorrow.

More than ever, the imperative to develop human capital is the most critical issue facing our state. It is the central focus of Governor Holcomb’s vision for a system that increases personal prosperity and wellbeing, meets employer needs and builds a stronger state economy. This need was recognized by policymakers and employers who embraced the creation of the Governor’s Workforce Cabinet and its recommendations. Lest we think we’re unique in this regard, it’s clear that investing in the workforce has been a central focus in other states, as well. In 2018, 15 states enacted more than 30 bills addressing workforce development and work-aligned educational opportunities.

Too often the question of whether we need more education or more training permeates our policy and funding decisions. I’d like to make a case for why pitting these against each other, or more accurately talking about them in separate ways, is counterproductive to our need to align strategies and design career pathways. This is the



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key: educational pathways that provide opportunity and advancement and that ensure an accessible and open system for all – and a stronger democracy.

Our colleagues at Education Strategy Group put it this way: “We believe that success should be defined, in part, based on our ability to prepare people for success at the next level.” This model includes both academic and applied learning in an integrated system that is not episodic, but continual. Chris Dellarocas writes about “higher education in a world where students never graduate.” He stresses that universities have the opportunity – and I would offer the obligation – to become centers for learning, career direction and networking for life.

For the past five years, we have been sharply focused on the need to serve more working age adults in the education system. With more than a 15% gap in our 60% education attainment goal, we must re-train adults for a changing economy that demands new and higher level skills. That means we need to reach more than 1.5 million working age Hoosiers without a credential beyond high school. We’re making progress with the state’s Next Level Jobs campaign that sends a clear message and funding for adults to reskill and improve their employability prospects to meet the needs of our employers. Thousands of Hoosiers have responded, but that’s not enough, so we’ll be redoubling our efforts just as the General Assembly doubled the funding. Our institutions must also better serve these adults by recognizing experience and knowledge through prior learning assessments and competency based education that value knowledge gained through experience, saving adults time and money.

The other day, I had the pleasure to speak with Andrew Nagel, a former combat medic and instructor, who retired after serving 22 years in the army reserve. During his time in the military, Andrew became a Licensed Practical Nurse through a two-year degree program while on active duty. He then spent roughly a decade of his military career training army combat medics in a pre-deployment program, so they would be prepared to treat medical traumas in the field. Andrew’s goal has always been to become a Registered Nurse, so when he retired, he began looking into educational opportunities and discovered WGU Indiana.

WGU Indiana offers a competency-based model for higher education, which works well for adults like Andrew who need to manage their studies around work schedules. Through WGU, Andrew has been able to move more quickly through some of his courses due to the medical experience he gained in the military. In fact, Andrew will graduate with his bachelor’s degree later this year after only two and a half years at WGU. In addition, he has also been able to work at the VA hospital in Indianapolis, while he completes his degree.

The bottom line is that adults like Andrew who come back to higher education with workplace experience have a different path than students who enter college directly from high school. We need to find better ways to acknowledge their experience and speed their time to completion, work with their schedules and ultimately save these students time and money.

In thinking about career pathways, let’s recall what happens when Hoosiers are not provided pathways in times of economic change. Like some of you, I grew up in a time and place that provided ample work opportunities without education beyond high school. Hard work was the ticket to success. If you’ll indulge me, I’ll be a little personal in my historical context.



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My parents are great examples of this era, both attaining success in their lives with a high school diploma. My Dad sold cars for a living and later managed or owned his own dealerships. Until Indiana's blue law passed requiring that automobile dealerships be closed on Sunday, he worked 7 days and 6 nights every week. He provided job opportunities to more people than I know, but the economy shifted and many people who were employed in the auto industry – either making or selling cars – saw job opportunities shrink. It's also important to say that new job opportunities were created, but many people were left behind because they did not receive the preparation needed in a dynamic international marketplace. Vehicle sales actually doubled during the period of 1947 and 1972, as more cars were available at less cost for more people. But without the necessary investment in our people, as jobs changed and manufacturing moved into a new era, we witnessed a decline in both jobs and per capita income.

My mother's story, on the other hand, is a different one. Smart as a whip and hard-working too, she transitioned from a secretary to motherhood to a return to work that included stints in both the financial and educational sectors. Like my Dad, she worked the number of hours necessary to do the job right. She learned new skills on the job, but never had the opportunity – or really the need – to return for more formal education.

It's safe to say that by the end of my parents' careers, the job requirements for their roles had changed substantially. The hard work they displayed was still necessary, but not sufficient for the qualifications needed in the new economy. In many ways, this is the story of our state and where we find ourselves today.

A Brookings study that came out earlier this year highlighted Indiana as the state most at risk of job loss due to automation. The routine, task-intensive occupations in manufacturing, transportation and agriculture – sectors key to Indiana's economy – are considered most vulnerable. New jobs will be created, but the report also shows that the more education workers have, the safer they are from job loss through automation. We must commit to doing things differently this time by investing in our people, especially with the velocity of technological change. If we fail to do so, we will be contributing to greater income disparity and social stratification.

There are multiple educational pathways to a good job. At the same time we bring adults back, we must ensure that young Hoosiers graduate from high school prepared for the world of work and higher education. The truth is – and we must be clear about this message – it's possible, but increasingly rare that a high school diploma will be adequate or a lifetime credential. While some high school graduates may be prepared to go into the job market directly from high school, the key word is "prepared." A high school diploma coupled with an industry certification or workforce credential can jumpstart a career, but it is likely to be the beginning of job preparation – not the end.

Likewise, for those who continue with formal education after high school – and two-thirds of our graduates will – we have an obligation to better align what they learn with their career goals. A clearer understanding of job opportunities and requirements, and earlier exposure to both, are essential to making smart higher education decisions. And work-based experiences should be the expectation – not the exception.



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We frequently look to other countries for a blueprint for reforming our system and ensuring college and career readiness. And there is much we can learn by doing so, starting with a willingness to embrace a broader view of pathways that value work, but we need to do this through the American lens of right fit and opportunity for all. Governor Holcomb's Next Level Jobs initiative does it the Hoosier way: meet people where they are and help them move to the next level.

The good news is that we are working more closely with our K-12 partners to improve preparation and smooth college and career transitions. In fact, over the course of the last year, the Indiana Postsecondary Transitions Steering Committee, composed of fifteen K-12 and higher education leaders, met and developed a set of recommendations that were unanimously supported by the Commission for Higher Education and the State Board of Education.

We agreed to develop and scale postsecondary transitions pathways, beginning with a 12th grade math course that ensures more students are college ready. We agreed to promote navigational supports and activities for all students, such as those that are required and improving success rates for 21st Century Scholars. We agreed to expand the use of key postsecondary transitions data to facilitate cross-sector collaboration.

Our belief is that these joint strategies will improve postsecondary preparation and student success. We know that success in higher education begins in high school and even earlier. These recommendations reflect the goals outlined in the Commission's strategic plan *Reaching Higher, Delivering Value* and will be the theme for this year's Weldon Conference, our annual higher education convening.

We are encouraged by the progress reflected in the Commission's College and Career Readiness report that shows more students are ready:

- Remediation rates are dramatically down – 12% of students needing remediation when entering college compared to 28% in 2012.
- More students are earning college credit in high school – 62% compared to 47% just four years ago, resulting in substantial savings to students and the state. Dual credit courses save students and families an estimated \$69 million dollars in tuition costs.
- And while racial, ethnic and income gaps remain, our 21st Century Scholars are seeing double-digit improvement in college access, persistence and completion. First generation students who are not Scholars are not experiencing similar levels of success.

Even if we succeed in preparing students for the next step after high school, they are likely to return to formal or informal learning settings as the jobs and economy change. This need – together with other challenges facing higher education – requires a new vision. This year the Commission is undertaking strategic planning, which will result in an updated blueprint for Indiana's higher education system: one that addresses demographic and enrollment patterns, financial pressures, new providers and ways of learning, quality assurance, workforce needs, and technology and automation disruptions – all with an eye to return on investment for students and the state.



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Many believe – and I am one of them – that higher education is at a crossroads. We have seen the closure of some colleges and many others are vulnerable because of their financial model or enrollment declines. Birthrates have declined in the nation by as much as 13% from 2007 to 2012. The growth in college going rates may have peaked, which threatens more institutional closures or the need to eliminate faculty and staff positions. Indiana’s most recent College Readiness Report shows a decline in college going rates from 65% two years ago to 64% last year to 63% in the most recent year.

We hear stories about students who lack employment skills upon graduation. Colleges will continue to be pressured to provide relevant degrees, and employers must do a better job signaling what they need that is not available in the talent pool. Alternative providers are moving in and challenging traditional colleges with offers of more timely, personalized career preparation.

While Indiana has made significant gains in curtailing college costs, the value proposition for higher education is also being challenged as the percentage of borrowers and debt remains unacceptably high. As serious as debt is for graduates, consider the impact of students who leave before completing. We have to do a better job helping students handle their finances or risk them choosing to not enter or to leave higher education.

Even if these forecasts are in the extreme, there is little doubt disruption is underway and must be met with a new higher education compact: one that provides more people with affordable and flexible learning options while preserving quality and advancing economic opportunity. Our system of higher education must adapt to today’s learners by offering more personalized, more “just in time” and more continuous learning.

Personalization means the needs of the individual learner should drive the delivery system, whether that’s the 18 year old college freshman or the 35 year old returning adult. A one-size-fits-all system is not what these students expect or deserve any more than patients want an old system of health care that fails to provide options or embrace technological advances. Like health care, there is no compromise for quality when we expand learning opportunities. A customized system also allows students to make more data-driven decisions – from the choice of college to what to study to job market needs.

The concepts of “just in time” and continuous learning may seem at odds, but they are really in keeping with the idea of right fit for students based on job needs. Adults looking for better opportunities often gravitate to short-term, quality certificates to propel their careers. Arthur Levine writes about the “just in time” learner revolution as “a radical departure from a system rooted in Carnegie Units by deliberately and intentionally championing variation focused on learning and outcomes rather than the duration of time spent learning them.”

Likewise, more and more adults will return to higher education – even if they have a degree – to advance their careers in light of changing job requirements. One of the fastest growing areas on many campuses is executive and continuing education for alums and others who need to gain new credentials. Pop-up or mini courses are being offered to teach a specific skill or new technology in a condensed time frame.

To make these models successful, employers and educators need to work together – from defining what skills are needed to providing affordable pathways to get them. I like the way Stephanie Sanford of the College Board



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puts it: “Knowledge, skills, agency : people learn things, learn how to do things and then discover that they can use all that to make a difference in the world.” Of course, it begins with “learning things.”

The best opportunity for increasing higher education’s value proposition is by building a system around the learner – both recent high school graduates and returning adults – that prepares them for a dynamic economy. When we do this well – and I am confident that higher education leaders are committed to a student centered system that does that – we will ensure that our state’s best days are coming and we are prepared.