INDIANA COMMISSION *for* HIGHER EDUCATION

July 24, 2014

ORAL TESTIMONY BEFORE THE
COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Offered by Teresa Lubbers, Commissioner
Indiana Commission for Higher Education

Chairman Harkin, Ranking Member Alexander and members of the Committee, thank you for the opportunity to testify. My name is Teresa Lubbers, and I serve as Commissioner of Indiana's coordinating board for higher education. My testimony will emphasize that higher education is a shared responsibility among the states, institutions and students, and will underscore the importance of aligning federal policies and funding with state student success agendas.

I just returned from the annual meeting of the State Higher Education Executive Officers. Across the country we have many common challenges: too few students make it to the finish line. On-time completion is the exception, especially for low-income and first-generation students. Our work across state lines helps us learn from each other, including in difficult areas such as ensuring academic quality.

Indiana's sense of urgency may be greater than some states since we face an economy that no longer guarantees a good quality of life without education or training beyond high school. It's no coincidence that Indiana's per capita personal income and education attainment levels are nearly the same—around 40th in the nation. We must convince Hoosiers that hard work AND postsecondary credentials are required for the jobs that propel individuals and families up the economic ladder.

<u>Our goal in Indiana is to ensure that more students complete postsecondary credentials on time and at the least possible cost.</u> Today I will highlight what we're doing to reach this goal, share how our colleges are responding, and offer a few recommendations based on the lessons we learned.

What have we done in Indiana?

First, we measure what we value. We publish three annual reports that are simple to understand and focus on our most important success metrics. The first indicates whether our students are ready for college. The second shows whether they graduate, and how those results differ by income, race and ethnicity. The third conveys graduates' return on investment: their career opportunities balanced against the cost and debt they incur.

Our reports demonstrate that affordability is not just about tuition, though efforts like Purdue University's 3-year tuition freeze certainly help. Costs escalate unnecessarily when students take longer than they need and borrow more than they should. Further, many of the stumbling blocks students face are not of their own making. In Indiana, we reined in "credit creep"—extra credits that extended program length and time to degree. This common-sense change saved students time and money—about $35 million per year. Another recent law provides each student with a degree map that guarantees courses are available and prevents scheduling snafus that delay graduation. We also discovered that many students—even our student leaders—think that 12 credits is enough to graduate on-time, so we are rolling out a 15-to-Finish campaign to make it clear that full-time is 15.

We also pay for what we value. Our performance funding model rewards college completion and on-time graduation while embracing differing missions and upholding our commitment to at-risk students. We recently restructured state financial aid so that students take and complete the 30 credits they need each year to graduate within the four years the state will finance.

How are colleges responding?

They are changing the message they send to students: Indiana University reduced borrowing 11 percent in one year by telling students how much debt they had accumulated and what their monthly payment would be. Their Indianapolis campus doubled the percent of students taking 15 credits by changing their advising protocol to make 15 the default.

Colleges are removing other stumbling blocks: Our community college system improved the success rate of students underprepared in math from 9 percent to 50 percent by delivering remediation at the same time students take credit-bearing coursework.

Colleges are being proactive to help students succeed: Indiana State University now alerts students who are falling short of meeting the state's new credit completion requirements—offering them free summer tuition and discounted housing so they can catch up.

What have we learned, and what do we recommend?

We learned that what we measure demonstrates what we value. We encourage the federal government to continue its progress toward measuring all students' success, not just that of first-time, full-time students.

We learned that we can move stubborn numbers in a big way with the messages we send. We recommend that the federal government provide the same straightforward "truth in lending" for student loans that it has previously backed for mortgages and credit cards.

We learned that financial aid policies drive institutional structures, which in turn drive student choices. We recommend that the federal financial aid system do its part to increase affordability in three key ways:

- Define full-time as 15 credits, not 12
- Pay for completed courses, not attempted courses, and
- As proposed, fund summer Pell so that summer can be used to either catch up or get ahead.

I thank you for the opportunity to testify today and would happily answer any questions.