



Testimony of Thomas J. Snyder

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Hearing on Making College Affordability a Priority: Promising Practices and Strategies

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Good morning. Chairman Harkin, Ranking Member Enzi, I am Tom Snyder, President of Ivy Tech Community College. Ivy Tech Community College is the state-wide system of community colleges in Indiana. We are the largest singly-accredited community college system in the country. Ivy Tech serves 200,000 students annually at 23 campuses and 100 learning centers that provide a full-spectrum of educational resources, transfer credits, associate degrees, workforce training and professional certification.

I am also here as a founding member of Rebuilding America's Middle Class (RAMC), a coalition of community colleges focused on improving student access and enhancing student success.

While what I talk about today will be specific to Ivy Tech, RAMC is working with other community colleges to ensure they have the necessary tools to produce low cost, high quality

programs. RAMC recently held a conference in Indianapolis that allowed community college leaders to exchange ideas and methods for accomplishing this very important work.

I would like to start by thanking the Committee for its leadership on maintaining low student loan interest rates for this coming school year. RAMC wrote this Committee and the Congressional leadership urging that the 3.4% rate be maintained. Like you, we realize the impact that the cost of college is having on students all across the country. College presidents, as well as the millions of students who attend our institutions, appreciate the continuation of these low interest rates for this coming school year.

I would also be remiss if I did not thank the Members of this Committee, and especially you Mr. Chairman, for your support for Pell grants. Community colleges need to have a strong partnership with the federal government on Pell grants as they are particularly critical to the students that attend our institutions. Recent changes including elimination of summer Pell and changes to the ability to benefit rules have impacted prospective students seeking to attend Ivy Tech. We look forward to working with you to ensure Pell remains a strong program that meets the needs of community college students.

As you know, keeping interest rates low is only one part of the college cost pressure being placed on students, their families and institutions. Ensuring that we have low-cost postsecondary options that provide high quality learning experiences is essential for individual students, our economy and our nation's competitiveness as a whole. As a former auto industry executive, I watched how competitors gained a share of the automotive business by providing a high quality product at a low cost. I witnessed the emergence of Toyota and the Japanese auto

industry, Hyundai and the Korean car industry and now China where the most popular car is surprisingly – Buick. This is a business model that is highly competitive, outcome and value driven, customer focused and has a relentless pursuit of lower cost.

What I found in higher education was something different: large grants, and state subsidies, combined with routine increases in tuition. This was a revenue model that outpaced inflation by a significant amount with little focus on actual cost.

When I joined Ivy Tech in the summer of 2007, this did not look like a sustainable business model.

Because of that, we made quality and efficiency one of four pillars in our strategic plan and started to reduce internal cost. Let me share some examples.

We have worked to reduce internal cost and complexity of what students must go through when they purchase their textbooks. We instituted a single bookstore for all of our colleges and capped the number of textbooks that are required for a course to three for bricks and mortar classes, and one for online course offerings. This has allowed our one unified bookstore greater purchasing power which has translated into fewer and less costly textbooks for students to purchase.

We have also unified our overall procurement system. We have created a centralized purchasing system led by a single executive. We've instituted state-wide contracts in areas like computers, IT networks, furniture, copiers, office supplies, telecommunications, and healthcare.

This year we joined with the State of Indiana to have a single prescription management program for all state employees including higher education.

Recently, we have begun to simplify our registration and financial aid process for students.

Perhaps like your experience, students currently go to six or seven offices to enroll, receive their financial aid and register for classes. To respond to this, we are building a one-stop system that allows our students to go to one place to accomplish all of this. This saves money for Ivy Tech, but also makes it easier for students to get on with their studies.

Ivy Tech has also launched the Associate Accelerated Program or “ASAP.” This program provides students with the opportunity to earn a transferable degree in one year instead of the traditional two-year track. Designed specifically for students from low-income households, ASAP targets students during the critical transitioning period between high school and college. It also includes significant wraparound services, which research shows greatly improve retention rates and student success. Students in the program attend as a cohort, enabling them to form a learning community and provide peer support to each other. Completion rates of 75% in this program are three times the national average of community colleges.

We have dramatically expanded online offerings reaching almost half of our students during the year with at least one course offering. With almost 80,000 students taking courses online during the year, we are significantly increasing the flexibility of each student to complete more rapidly and balance work, school, and home life challenges.

Ivy Tech also actively provides dual credit programs that allow high school students to earn college credit at no cost. This effort alone has generated huge savings for Indiana's families while also preparing high school students for the rigors of college. This past year, Ivy Tech Community College enrolled 25,429 Indiana high school students in dual credit programs, saving Indiana parents more than \$12.2 million in tuition costs.

We have also worked with our state legislature to ensure that credits which students earn at Ivy Tech transfer to the four-year Indiana schools which they go on to attend. Nothing increases the cost of college more for a student than repeating courses they have taken in the community college that the receiving institution will not accept. The legislature, with our support and encouragement, has established a credit limit for two- and four-year degrees to prevent "credit creep." Credit creep is adding one or two semesters to a two- or four-year degree without actually producing job market outcomes.

Early in my tenure, I set a challenge goal of saving 10% of our operating cost by 2010. At the same time we wanted to become a national leader in the Achieving the Dream program.

Achieving the Dream is a reform network of community colleges aimed at helping low income and students of color complete their education and earn market-valued credentials.

I am pleased to say we handily beat our cost savings goal through one time savings of 10% and recurring savings of more than 10%. We also met important quality goals. Based on Achieving the Dream initiatives there was an increase in persistence from 55%-60% before interventions compared with 75%-80% after interventions. This is an increase of almost 20%. We expect completions to go up 10%-15% as a result.

This focus on quality and efficiency has enabled us to respond to a 45% increase in enrollment over the last four years with limited additional state funding and modest tuition increases of two to three percent per year. In fact, due to the savings we have generated, the actual cost per full time student at Ivy Tech has dropped slightly in real dollars since 2008.

Let me close by saying that for higher education, affordability is today's most important question. Cost in this segment of society has far outstripped not only inflation, but the income growth of most Americans. The concern I have for my home state, is the sad fact that the four-year residential experience is out of reach for half of the Hoosier families. Community colleges are a response to this affordability crisis. We have focused on low cost open access for decades. As we shift to a completion agenda, while maintaining low cost, we become a critical part in the affordability solution. Ivy Tech is committed to that goal.

Thank you for allowing me to testify. I would be pleased to answer any questions you may have.