

Seeking Education Answers

Hoosier Pair Takes Insights to White House

By Tom Schuman

In early December, a dozen higher education leaders gathered in Washington. The topic was a popular one – affordability and productivity in America’s colleges and universities.

This, however, wasn’t your typical meeting. Why:

- The setting was the Roosevelt Room of the White House
- The “hosts” were President Obama and Secretary of Education Arne Duncan
- Of the 12 “guests” (10 leaders of college or university systems and two organization presidents), two were from Indiana – with both being members of the Indiana Chamber of Commerce board of directors

Tom Snyder, president of Ivy Tech Community College, was the only representative of two-year schools invited to the get-together. Jamie Merisotis, president of the Lumina Foundation, was making his second trip to the nation’s capital in a week as he testified earlier during a House higher education subcommittee hearing on college costs. Throw in Bob Mendenhall of Western Governors University (WGU-Indiana has experienced strong growth in its approximately two years of existence) and you have another partial Hoosier connection.

Snyder and Merisotis, in separate interviews, share their thoughts on the White House session and what needs to take place going forward.

Key messages

While Duncan opened and closed the meeting, President Obama was an active participant for more than an hour. Merisotis terms the session a “real working discussion and very intense conversation” and both he and Snyder came away convinced that the administration wants to make serious inroads in this area. Obama has stated frequently that his goal is for the United States to have the highest proportion of college graduates in the world by 2020.

Snyder says Duncan emphasized a “sense of urgency” in regard to closing the gap with other countries and the president articulated that “higher education had done something that he didn’t

Tom Snyder and Jamie Merisotis (far right, seated next to each other) were two of just 12 invitees to a higher education discussion with President Obama (official White House photo by Peter Souza).



think was easy to do – and that’s to raise their prices faster than health care.”

In an opinion article written after the discussion and again during this interview, Snyder compared the inertia at some of today’s residential campuses with his 30-plus years in the automotive industry. (One of the meeting participants admitted that much of the change in higher education has to come by persuasion).

“It reminds me of the auto industry in the ’70s and ’80s. Changes were swirling about, but there was not substantial recognition that the future was going to be significantly different than the current. The auto industry was not focused on competition; it wasn’t necessarily focused on the ultimate customer, and we can see the dramatic change that has taken place since.”

Federal role

While it is important for Washington to be engaged, there are certain limitations on what it can or should do in regard to college costs.

“I don’t think that the federal government is in a good position to control prices. By that, I mean the federal government’s effort should be much more focused on reducing costs, reducing expenses,” Merisotis explains. “The federal government’s ability to control prices of many things – its track record – is not good. Airline tickets, oil, gasoline, milk, you name it. I would be particularly concerned because of the complexity of this industry.”

Conversely, Merisotis offers three areas in which Washington can play a role.

“First, be the arbiter of data, be the entity that actually offers a high level of transparency about what college really costs, why it costs so much and actually use the bully pulpit of the federal government to increase transparency. At the same time, I think the federal government has to provide incentives to improve productivity. It can do that through existing mechanisms, it can do that through financial aid programs, through cost reimbursement in federal contracts and grants, through a variety of mechanisms.

“The third thing, I talked about this in the meeting, is some modest effort akin to what was done with ‘Race to the Top’ –



Merisotis (center) participates in a federal higher education briefing on Capitol Hill.

challenge grants or incentives for current institutions to be innovative, develop new strategies and solutions. That last one would require some new money,” he concludes, but while that figure was billions in the Race to the Top program for states and K-12 initiatives, Merisotis believes this dollar amount would be significantly less.

Snyder also cites the needed emphasis on transparency and notes “there’s not a lot of buttons the federal government can push.” Closer to home, he points out, “We think there needs to be a way to encourage students to borrow less, which means they’re going to have to spend less on their education, which means community colleges around the country are one of the options that will come to the forefront.”

Two-year path

Ivy Tech’s tremendous growth in recent years has been well documented (with student headcount projected to approach 230,000 by 2014). Of all Indiana Pell Grant recipients (federal dollars awarded to those with documented financial need), 54% go to Ivy Tech. Snyder says the college’s 68,000-plus Pell students in 2009-2010 were 10 times more than any other college or university in the state.

“If we’re going to close the gap with Korea, Canada, we’re going to have to get more people to go to college,” he shares. “If we’re going to increase that college attainment, it’s the people below the median income of the state. If we have to find ways to get them in to lower-cost options, it seems to me Indiana is well positioned. The other one that helps us to be well positioned is the growth of online, which further reduces the cost for students.”

Merisotis says it can be dangerous to have discussions that don’t consider both affordability and productivity.

“We need to continue to emphasize financial need as the most critical factor the federal government can influence in terms of affordability, but what we’ve learned is that is not enough – that we’ve got to focus not just on the price side, but on the cost side. That’s where the productivity really comes into play,” he asserts.

“There are easy ways to reduce costs; you can just cut and cut some more. That will certainly bring down the cost per degree, but that won’t get you more graduates, won’t get equity for the fastest growing populations. What we’re talking about is graduating a lot more people who can power our economy and help our democracy thrive.”

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Merisotis/Snyder

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Next steps

Asked if they were encouraged at the end of the day, Snyder and Merisotis indicated they were, and that they expect some specific proposals soon. Obama, in fact, put colleges “on notice” during his State of the Union speech and followed with more details. *Inside Higher Ed* characterizes the proposals as “using campus-based financial aid programs to reward colleges that keep net price low and punish those that do not. Two new competitions, modeled on Race to the Top, would reward states that invest in higher education, and colleges and nonprofit groups that improve productivity.”

Merisotis: “I was (encouraged). I thought the participants were obviously excellent; it was a very constructive conversation. I think the federal government does have a role to play here. I don’t want the federal government to overreach and try to solve all the problems. I do think the federal government has to do more than it has done, and this may be a way to get that conversation going. That’s always tough in an election year. Either we get some policy in place this year or the President has helped set the tone for future discussions that I think are going to be necessary whether it is his administration or a new administration.”

Snyder: “We left with the impression that the President is looking for some fairly radical solutions, which means that

after hearing from a lot of constituents, this will become an issue that will come up in the State of the Union or the campaign – or in federal Department of Education policy. We have encouraged them to keep Pell Grants focused on students who could finish with some incentive at the end.”

While there is no synergy for this same group to necessarily meet again, Ivy Tech is involved in forming a national organization – Rebuilding America’s Middle Class – of community colleges around the country. The goals, according to Snyder, are to be a policy voice for how community colleges can help close the earnings gap that has developed over the last 20 years, develop policy that will help people go to community colleges in increasing numbers and make a substantial commitment to the awareness of community colleges.

“Forty percent of undergraduates in the country are at community colleges and people are just not aware of that,” Snyder concludes.

INFORMATION LINK

Resources: Tom Snyder, Ivy Tech Community College, at www.ivytech.edu

Jamie Merisotis, Lumina Foundation, at www.luminafoundation.org