



NO EASY ANSWERS

Charting the Future of Higher Education

By Rebecca Patrick

For a century, Hoosiers didn't need a college degree to make a good living. But with the manufacturing-based economy changing dramatically and giving way, in part, to the knowledge-based economy, you can't make that case anymore.

Amid the backdrop of an increased emphasis on postsecondary education, we turn to three recognized leaders in the higher education community to discuss the current climate and what needs to happen next:

- **Jo Ann Gora**, president emeritus at Ball State University; jgora@bsu.edu
- **Stan Jones**, president of Complete College America; www.completecollege.org
- **Jamie Merisotis**, president and CEO of the Lumina Foundation; www.luminafoundation.org

Initial snapshot

A quick survey of the college landscape reveals some obvious challenges: rising tuition, student debt and getting more students to complete their degree. The latter is the focal point for Jones and his organization.

"We know that completion rates at most colleges in the country don't exceed 50%. So the freshman class looks very good in terms of numbers and in terms of diversity, but in the graduating class we only have about half of those students there – and we've lost a lot of the diversity that we set out to accomplish. So that's a huge challenge," he offers.

For Gora, who was Ball State's president from 2004-2014, the most pressing issue is "understanding the values proposition. There's a lot of discussion on the cost of higher education but very little

discussion about the value proposition – what you get for this investment. And it should be seen as an investment," she declares.

"I used to say to parents you can get a public education for what you would pay for a decent car, maybe a \$30,000 car. And that car will start depreciating the minute you drive it out of the showroom, whereas the value of your college education should appreciate over time.

"Too often the conversation stops at the sticker prices, and it shows at most colleges that most students are getting some form of financial aid that is reducing that cost. And data compiled in Indiana shows that most families overestimate the cost of a college education. They think it's less affordable than it actually is. Having a clear understanding of the true cost and true value of a college education is a great and important challenge," Gora concludes.

Merisotis takes a different track. He contends the greatest dilemma facing higher education today is defining its role in meeting current workforce needs.

"The big problem is the way this system is constructed. The way it delivers higher education today does not have the capacity to meet that rising demand for talent ... for reasons that have to do with the fact that we don't graduate enough of the students who start, the fact that affordability is a problem – at least for a certain portion of the students, the fact that our ability (is lacking) to effectively use technology to serve the large numbers of students who still don't have access to higher education – low-income students, first-generation students, students of color.

"What's challenging in higher education is that it has got to continue to do what it has always done, which is continue to be the engine of social progress in the United States. It has always played that role," he notes.

"It would be ironic if now that we need higher education more

than ever before, it becomes an impediment to that because it doesn't want to change ... it doesn't want to be part of meeting that rising demand for talent in the country."

End game

What college truly provides should be more top of mind for both students and institutions, Gora insists.

"Too often when we talk about college today, we talk about preparation for that first job out of college and how much they will be making. And we do it in lofty terms of outcome-based assessment. But in reality what a college education has always been is preparation not for your first job but for a lifetime of jobs – some of which have not been created yet," she asserts.

"What a college education should provide are those critical thinking skills that will enable you to adapt to a changing workplace environment. (It's about) really getting universities to buy into the whole notion of testing their students so that those critical thinking skills can be tested as high school seniors and then they can be tested as college seniors so you can see whether there has been development."

Adds Merisotis, "Those critical thinking and problem solving skills are exactly what



"There are no jobs for recent high school dropouts. There are very few jobs that are sustainable jobs for recent high school graduates. The bar has risen in terms of what people need to accomplish to be competitive in the economy."

– Stan Jones

employers need. And what they say is that they need people with those skills because they want employees for the long haul, not people for the short term.

"And employers are willing to pay a premium for people who have the talent to help them be successful as companies," he remarks. "So employers are looking at higher education in some form. It doesn't have to be a four-year degree. It can be an associate degree or a high-quality certificate, etc. But the point is they are looking to higher education to produce that talent."

Gora fears these are the types of things "getting lost in the national conversation about cost and accessibility. It's not just a matter of get them in and get them out. It's really a matter of what happened while they were there and how has that prepared them for a constantly changing future."

Tackling completion

Everyone agrees that graduation rates are a major concern.

Results of Complete College America's recent report, *The Four-Year Myth*, even surprised Jones.

"There are only 50 public colleges in the country out of 580 that graduate half their students in four years. So it's more typical that we are looking at students graduating in four and a half years, five years and longer. So we have a tremendous loss of students between when they start and when they complete. And we're interested in not only having students completing on time but having them complete at all," he states.

For decades more students have rightly been encouraged to go to college, Jones says, but "now the right thing to do is to recognize that it's almost a false opportunity if the students don't have a realistic chance for success.

"Part of that is the student's responsibility, but I think increasingly universities and colleges have to step up their responsibility in terms of how students get to the graduation day."

One simple step is having full-time freshmen take 15 credit hours instead of 12, which already puts them on a five-year plan out of the gate.

"We do have (schools) like IUPUI, which, in the course of one year, raised the number of incoming freshmen taking 15



"It would be great if states and maybe the federal government provided funding for students – loans that were forgiven if students completed (a degree) in a certain period of time, if students held onto a job for X number of years, if students worked in a certain part of the country.

– Jo Ann Gora

credit hours from 27% to 53%; and now they are at 63%. It's a cultural shift ... but it's a simpler thing colleges can do.

"Some things are more complex, but the basic point is that colleges have a responsibility," Jones reiterates.

He's also "impressed and optimistic" about changes taking place nationally and puts Indiana "as one of the three or four leaders in the country in respect to changes that are occurring that can dramatically increase the numbers of students that we graduate.

"Ball State recognized early on that they wanted to increase their graduation rate; and they did over a period of time rather steadily, and introduced some innovative programs. Now I think almost every public college in Indiana is focused on completion," Jones offers.

"Five years ago when we first started talking about college completion, there was a pretty substantial pushback from people who were concerned it would hurt access or concerned it would hurt quality; and that's since changed."

Early declarations

Intrinsically tied to completion is getting on the proper path once at college.

Jones and his group maintain there should be proper channels put in place so that students aren't making all the decisions about majors and coursework on their own.

"It's one of our big pushes ... because at many colleges, it's a luxury to kind of trip over the right course that makes you say,

'Ah-hah I want to do this for the rest of my life,' he explains.

The problem is particularly pervasive at community colleges. "Their largest degree program is general studies, which means those students never really made a (major) decision," Jones notes.

Merisotis feels part of the problem is "that colleges and universities are really being squeezed by the demands of the students for choice. But as Complete College America has pointed out, this idea of excess choice has a real, real consequence in terms of the success of students. They are literally facing a cacophony of choices that's confusing and often overwhelming."

The institutions need to help sort things out, Gora concedes.

"I bet 90% of colleges now have degree programs in which every semester there is clearly defined what courses you take and how they lead to a four-year degree. The problem is that too many students really aren't sure what they want to do."

When Gora presided over Ball State, there was realization that too many of the students who dropped out hadn't declared a major. That triggered structured career counseling for students that begins with freshman orientation.

"It requires them to go to a meeting with a counselor to talk about what their test results showed in terms of where their skill sets were, where their interests were and whether there was an obvious career path or not," she outlines.

This process became required, Gora says, because too many students didn't sign up for it when it was optional.

The end result saw Ball State increase its graduation rate by getting students to focus at a much earlier juncture on their potential career path.

"We knew all the time (the majors) could change. What matters is that students have a clear understanding of what their future might be and how what they are doing now is going to lead to that desired future plan."

On their own, "far too many students don't have enough experience and enough information to make that decision early enough to have real impact on completing (college) in a timely fashion," she concludes.

Policies like this one at Ball State represent a growing trend, according to

Jones. "More colleges and universities are requiring students to plan and to actually pick a major."

Gora admits, "Overall, it's been a bit of a hurdle for colleges to say, 'OK, we have to act more parental, if you will, and we have to reduce choice. We have to require things.'

"Colleges never used to take attendance – never. That was considered preschool-ish, but now some classes will do that. It's been a real culture change for colleges."

Student ownership

However, Jones isn't implying students should be let off the hook; they have a responsibility for their education path – particularly those receiving financial aid.

"Students on scholarships or grants or with subsidized loans, we should treat more as a partnership. We should expect reasonable progress toward degrees, a reasonable attempt to get a job and those kinds of things.

"So it's not giving the student money without any expectation of what's expected from the student. That part I really like, and I think that we see more state financial aid programs start to put in those kinds of features," he remarks.

Indeed, students taking part in Indiana's largest two aid programs – the Frank O'Bannon grant and the 21st Century Scholars program – are obligated to do just as Jones outlined. Students must complete at least 30 credits each calendar year.

The Indiana Commission for Higher Education said in a January release that the response to these 2013 financial aid reforms has been encouraging, with double-digit improvements in the percentages of students taking and completing the minimum number of required courses to graduate on time.

The funding factor

Jones stresses that the general public believes it's important for their children to go to college, but that doesn't necessarily translate to action by the state regarding its public universities.

"If you go to the Legislature and ask them if they had a discretionary dollar where would they spend it, higher education ranks down there with prisons and welfare. And it's because, even though the general public views higher education very highly, they (the legislators) view it as private value, a private good – not a public good.



"The idea that the focus of authority for the decision-making should rest solely in the hands of the colleges and the universities without any expectations in terms of those kinds of outcomes – those days are behind us."

– Jamie Merisotis

"But it's as important that we educate your child or Jamie's children as it is we educate our own children because that benefits all of society," he underscores.

According to the latest Government Accountability Office report, state government funding to pay for public colleges has been on a steady decline for the last decade. In 2003, states provided 32% of funding; by 2012 the public state support was down to 23%.

"The disinvestment in higher education is troubling, and it's troubling because of what we know in terms of the enormous public benefits that you get from higher education," Merisotis declares.

"Part of the challenge, though, is that higher education has not been clear about the outcomes it's producing. How they can demonstrate that these students have relevant knowledge, capacity, skills and experiences. ... They've been slow to respond to the idea that a college degree should mean something that you can document, that you can be clear about – not just at this individual institution but in a broader sense.

"The funding decline should be a wake-up call for the sector that it's got to focus on producing those outcomes," he surmises.

Merisotis is a proponent of outcomes-based funding – but done the right way.

"You shouldn't be comparing institutions with dissimilar missions. You should be focusing on making sure that you take into account the student population that's served and what the mission of the institution is. But you should expect institutions to produce results in terms of student outcomes, in terms of success rates of the students. If it's a research institution,

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in terms of their research capacity, etc.”

Gora agrees that the time for outcomes-based or performance-based funding has come. “It does create incentives for colleges to rethink and to make changes in line with public policy. But performance-based funding is a very blunt instrument and it’s very difficult because it takes years to see the impact of changes in your policies and procedures.”

Merisotis expands on the incentives aspect: “I think encouragement for (colleges) to improve the success of students, in particular, is going to be a critical part of what we need to do going forward.

“The demand for talent is growing too rapidly for us to be able to simply take the institutions at their word and trust that they’ll be able to produce the outcomes.”

Gora also acknowledges pressures based on what the state’s funding priorities are.

“It’s a complex situation that is hard to get right. Because you want to increase your graduation rate, right? Well, only accept a high-excelling student and you will increase your graduation standards overnight, or lower your standards for graduation and get them in and out as fast as you can,” she describes.

“It’s really hard to get the funding formula so it intensifies the right behavior. . . . Too often the emphasis is on quantity, not quality. So we do have to be mindful of the unintended consequences of some of the formulas.”

Final impressions

Merisotis sees both obstacles and opportunities that are fairly unique to the state.

“One of the challenges it that we’re starting from a lower base

than the average (in terms of college attainment). So, we are going to have to improve our success rates at a more dramatic rate than other states. The second is that because you were able to be successful in Indiana for so long without a postsecondary credential, changing that culture is hard,” he suggests.

On the plus side, Merisotis praises the state’s positive attitude.

“I’ve lived in six states and there’s nothing that comes close to the can-do spirit in Indiana; that is this commitment to try to do better, to work collaboratively,” he remarks. “This is a state for which the politics are actually much more conducive to arriving at reasonable conclusions than you might see in some other states.

“And Indiana has already got tremendous resources here with (all) the high quality institutions.”

Gora, who now consults with colleges and universities around the country, turns her attention to topics she hears the most about.

“How can we use technology in a way to reduce cost and increase completion rates. Being smart with the use of technology and using that in order to improve outcomes. That is a very, very hot item in higher education.

“The other area that institutions are looking for guidance on is how do they change the culture on campus so that they can provide more information to students in a way that they can afford it, use it and act on it, and in that way benefit both themselves and the colleges,” she explains.

“The winds of change are blowing hard, and institutions want to do the right things. They want to make the right choices. They want to use their funds wisely. But sometimes the cultural factors on campus make it difficult to change rapidly.”