

Reduced state budget appropriations have been a factor in higher-than-normal tuition increases at most Indiana public colleges and universities in recent years. Considering the importance of higher education for future workers and the companies that employ them, we asked:

*Are college costs becoming too high for the average Indiana student?*

## Tuition Increases **Threaten Substantial Progress**

believe that Indiana is at a point where continued, double-digit tuition increases will not only begin to out-price some students, but also work against the progress and investment that the state has made in providing accessible and affordable higher education to all Hoosiers.

Over the past decade, there has been a significant shift in the perception of education beyond high school in Indiana. It used to be that most students were able to find good paying jobs in the manufacturing or agricultural sectors following high school graduation. Typically, college was not a first choice for most

Hoosier students except those students who were excelling in the top 10% of their graduating class.

With the recent shift toward a knowledge-based, global economy, Indiana leaders recognized the need to send a strong message to Indiana families that college is a viable and desirable option for all students to be successful. In support of this message, the state reduced financial barriers for college attendance with a particular focus on under-represented populations and need-based aid. These efforts have been broad-based to allow students the choice of attending public or independent colleges and universities in Indiana.



**By Stan Jones**

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### By the numbers

Such targeted efforts at college access and opportunity have achieved success. More than 300,000 students enrolled in Indiana's colleges and universities this year. Growing enrollments at college campuses across the state show that Hoosiers recognize the importance of education as a key to economic prosperity. Of most important note is the increase in the number of high school students attending college immediately following graduation. While only 38% of graduating high school students were college-bound in 1986, this percentage rose to nearly 61% in 2000, ranking Indiana 17th in the nation.

Additionally, the state's new Community College of Indiana partnership has brought nearly 19,000 additional students into our higher education system since its launch in 2000. Despite this significant progress, our state still lags well behind the nation in the number of adults with college degrees. These adults are the men and women who make up Indiana's current workforce – a workforce that must retool, retrain and re-educate to remain competitive.

### Family burdens

With the impact of the current recession, the state decreased funding for higher education. As a result, both Indiana's public four-year and two-year postsecondary institutions chose to raise tuition and fees, resulting in double digit percentage increases. Although financial aid and family income levels have grown over the past decade, college costs have increased nearly three times the rate of inflation.

Families today, compared to those 20 years ago, must devote a larger share of their income to pay for higher education, and therefore are increasingly shouldering higher levels of debt. Nearly two-thirds of students borrow money to finance their education. In addition to taking out larger loans, students are working more and therefore taking longer to graduate.

Ensuring higher education is affordable for Hoosiers is a shared responsibility. Additional budget reductions to higher education will jeopardize the progress that has been made, stifle future growth and put at risk the economic future of our citizens, our communities and our state. Colleges must be more cost conscious and do their part to control expenses. The state in turn, must acknowledge the important role of higher education in the economic growth and prosperity of our state by providing the necessary operating support.

### Legislative answer?

I remain hopeful that lawmakers will continue discussions of tax restructuring that build on last year's progress. With a deliberate focus on college funding, continued restructuring may slow down rising

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# Quality Must Not be Compromised

**A** March 13 editorial in the *Denver Post* said it was “good news – relatively speaking,” that state universities would have to raise tuition 12% to offset funding cuts necessitated by the state’s budget crisis. The editorial said the increases reduced the risk of dismantling programs that make a college degree worthwhile in the first place.

“Paying more for a good education is one thing. Charging current prices for a third-rate education would be fraud,” the editorial concluded.

For the past two years, Indiana has found itself in a situation similar to Colorado’s and many other states. As president of Ball State University, answering questions about the costs of higher education has become part of my daily routine. It is difficult to ask students and their families to pay more for a college education. Still, the decisions of the state colleges and universities to raise tuition and fees were made in good faith and with a conscious determination to maintain the quality of the academic programs each institution offers.

The state’s colleges and universities face several challenges in maintaining that value. First, the costs of providing a quality education are rising much faster than the standard inflation rate. Second, more students are pursuing college degrees because they recognize that this education is necessary for success in the new economy. And these students need and demand an education enriched by access to the latest technology and to a full-time faculty with reputations for excellence in their disciplines.

## Financial gap

The National Association of College and University Business Officers found four-year public institutions spend \$4,000 to \$11,000 more to educate a student than they charge for tuition. State funding covers the vast majority of that gap, but the budget crisis makes it increasingly difficult for the state to meet its responsibility. This reality, coupled with the influx of students, threatens university programs, because, simply put, colleges cannot educate more students with fewer dollars.

The recent new student fees established by Ball State, IU and Purdue have been designated in similar ways to address the most pressing challenges by increasing funds for need-based financial aid, full-time faculty in classrooms and expanded programs, especially in high-tech

fields, that will enhance the educational experiences of students and provide economic benefits to the state.

Ball State is also using revenue from the new fee to fund its nationally recognized freshmen programs, which previously received support from Lilly Endowment Inc. Those programs have helped Ball State increase the number of freshmen returning for their sophomore year by 9% over the past five years. Indiana’s other public universities have taken similar steps to ease the transition of students from high school to college and increase their chances for success.

## Increasing access

Indiana’s higher education policies encourage academic success by maintaining access for all who seek a degree. By tying increases in financial aid to tuition rates and sponsoring initiatives such as the 21st Century Scholars Program, the state has allowed students from low-income families to earn college degrees. The Community College of Indiana presents students and their families with another option in higher education.

Ball State’s Connect Program grants automatic admission to students who complete 30 credit hours in the community college system and maintain a certain grade point average in required courses. This provides an opportunity for students, including some who did not meet the initial academic qualifications for admission, to manage college costs by beginning their studies at an institution with lower tuition, then transferring to a four-year institution to complete their bachelor’s degree.

Indiana is making progress. The recent census showed the state climbing from 40th to 17th in the percentage of high school graduates who attend college. And, in the past two years, the percentage of Indiana’s population with a college degree rose from 49th to 33rd in the country.

## Working together

Public higher education has always been a partnership between institutions, the state and students. As the state is less able to sustain its role in this partnership, the burden shifts inevitably to students and to the grants, contracts and gifts that the institutions can generate. The one element that should never be compromised is quality, which conveys the value that makes higher education one of the best investments anyone can make – with significant returns

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## Two Sides – Tuition Increases

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tuition costs. If Indiana experiences tuition increases of 12% per year for two years, it will cost Hoosier students \$230 million. Some would say that this is a tax increase.

One potential alternative is to raise the cigarette tax, which produces about the same amount of money. If cigarette taxes are increased, the worst thing that could happen is that more citizens reduce or even stop smoking. On the other hand, raising tuition may lead to students taking longer to complete their degrees, putting college off for later years or not attending at all. Such consequences are simply not acceptable to our citizens or our state.

Unless addressed, the current circumstances are jeopardizing the gains made in Indiana. Continued college tuition increases have the dangerous potential of discouraging students, both our young adults and our working adults, from pursuing higher education. Put into a context of a weak economy and increasing unemployment, the growing cost of higher education has the potential of shutting the door on those Hoosier residents who need it most.

## Two Sides – Quality

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over a lifetime.

So the answer to the question, “are costs becoming too high for the average Indiana student?” is a resounding no. While we hope that the state will resume a larger share in supporting higher education, the people of Indiana are now taking advantage of what we provide – a wide array of educational options and first-rate universities whose degrees offer an exceptional value for the price.