

**AGENDA
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

**JOINT MEETING OF
FINANCE COMMITTEE AND LONG-RANGE PLANNING COMMITTEE**

March 14, 1996

Commission for Higher Education discussion topics

Issue #1: *"Focusing on Student Retention"*

The State and the institutions have for several years tracked and measured the persistence of student cohorts as they move through Indiana postsecondary education. According to the most recent persistence and degree completion report (June, 1993) only 70 percent of the Indiana residents who begin college intending to obtain baccalaureate degrees return for a second year of study; further, we know that the remaining 30 percent likely will not return, even over an extended period. For residents seeking associate degrees, second-year persistence is 47 percent, meaning that more than half of these degree-declared freshmen disappear before what would have been their second year of study.

Non-returning students are a problem in several respects. Students and their families have invested substantially in an education, and may have borrowed to do so, but are left with little to show for it. Taxpayers have invested in these students through institutional appropriations; they, too, have little to show for it. Institutions have admitted and then invested instructional time in students who disappear before getting very far through degree programs that are the rationale for the institutions' existence. While it is unclear exactly what an optimum level of retention would be, the belief is pervasive that Indiana could do better than it has. But exactly what would that mean, and how would we go about it?

Issue #2: *"Reconsidering State Financial Assistance"*

The State's primary existing financial aid programs (the Higher Education Award Program and the Freedom of Choice Program) were last modified in 1985, and much has happened in the intervening time: federal support of aid programs has stagnated, higher education enrollment has increased substantially, the shift of traditional-to-non-traditional student enrollment has deepened, and the ability-to-pay measurement systems have been overhauled several times. Most recently, the Twenty-first Century Scholars program has been launched, creating a new financial aid mechanism for some students.

Issue #3: "Looking Ahead to the 1997-99 Biennial Budget"

How can postsecondary education prepare productively for the State's next biennial budget?

The State likely will face an unusually difficult biennial budget debate, not so much because of scarce resources, but rather because it finds itself with new duties and responsibilities, largely due to action or inaction by the U.S. Congress. These challenges will arrive first in job training programs and in public welfare programs, suggesting that these may well receive top budgetary attention.

The key problems for postsecondary education are these: how best to demonstrate efficiency and effectiveness (as the budgetary *quid-pro-quo*), and how should state attention be focused on broad problems affecting all of postsecondary education?

Issue #4: "Matching University Programs with State Needs"

For many reasons it is vital to the State and to the institutions that postsecondary education be viewed as contributing productively to the State's economy and well-being. The problem is that there is no cogent indicator of whether that is happening for sure, and both the Commission and the Trustees must constantly reassess this issue with what information is at hand.

There is considerable evidence that current postsecondary programs go a long way toward meeting State needs. The out-migration of high school graduates to out-of-state institutions is not great, suggesting that Indiana institutions meet most student-based requirements. Second, several membership-based Indiana business organizations have been complimentary about the quality of state postsecondary education, at least in contrast to elementary and secondary education. Third, the State's sizable enrollment gains over the last decade suggest that at least students (and their parents) are sufficiently motivated and rewarded by their postsecondary experiences.

There is also some evidence that the "fit" between postsecondary education and the State's needs may not be optimal. First, it is clear that many graduates leave the State very soon after graduation, suggesting that either insufficient or unattractive jobs exist in Indiana. Second, Indiana struggles to maintain either an overall participation rate or a degree attainment rate that is competitive among other states, suggesting that it has failed to connect with its underlying population. Third, recent institutional efforts to deliver services to some apparently underserved communities have not resulted an outpouring of enrollment growth, suggesting again either flagging popular demand or unattractive programming. Finally, efforts over the last few biennia to secure business and industry support for new budget initiatives have not been overly productive, suggesting that a large constituency is not yet happy with what it sees.

What needs to be done?