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**REACHING HIGHER WITH COLLEGE COMPLETION
WORKING PAPER***

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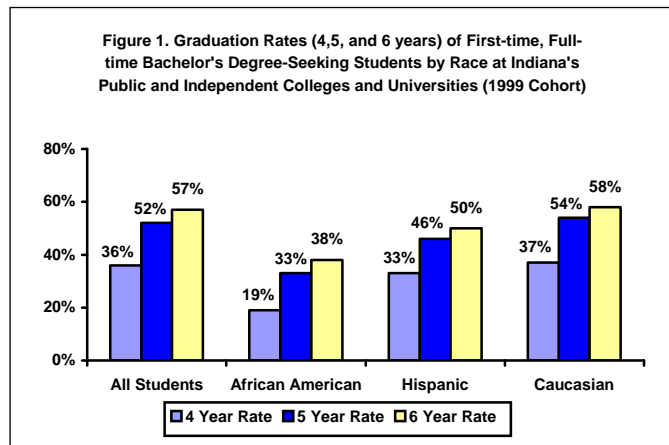
*This working paper is a supplement to the Commission's *Reaching Higher: Strategic Directions for Higher Education in Indiana* adopted in June 2007. The working paper was prepared to elicit further discussion and define action items for moving forward with strategic directions on college completion.

Reaching Higher with College Completion

40% do not graduate from college within six years

Challenge

More than 40% of students starting college *full-time* and seeking a bachelor's degree at an Indiana college or university do not graduate within six years.¹ College graduation for part-time students, minorities, low-income students, and community college students is even more daunting. Not completing a 2-year or 4-year college education has dramatic financial implications to the individual as well as the state. The lifetime earning potential of a student not completing higher education is nearly \$1 million less than an individual with a degree. Ten thousand additional students earning a four-year degree, will add as much as \$250 million per year to the economy (approximately \$10 billion over a 40-year lifespan).² The reality is that many students may leave college without an educational credential that leads to a better job or higher wage.



Focus on Access

Removing barriers to access has been the hallmark of higher education policy for the past four decades. These policies have been very successful both for overall college enrollment growth as well as in improving opportunities for specific populations. The GI bill initiated the access effort by dramatically expanding college opportunities for returning World War II veterans. Other expansion efforts for women, minorities, and baby boomers followed. Fueled by the belief that college would lead to economic opportunity, states and especially the federal government developed substantial aid programs to assist the financially less fortunate. As a result, the nation currently sends 56% of its recent high school graduates directly to college³ with 75% enrolling within two years after high school graduation.⁴ Additionally, the national college attainment rate of adults prior to World War II was 8%; it currently is 28%.⁵ In many ways, the access-to-college agenda contributed to the building of the middle class and can be closely linked with the economic prosperity of the United States.

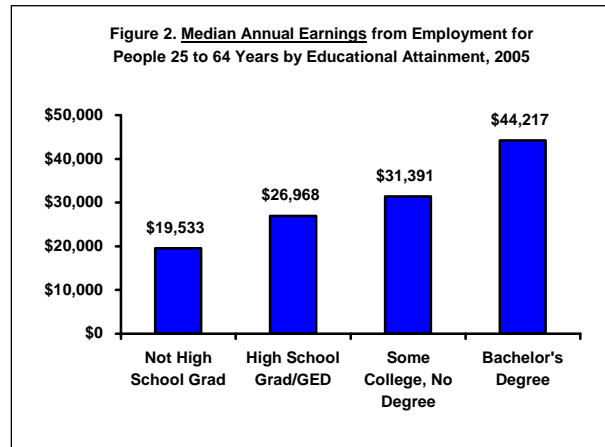
An Increasing Focus on Degree Completion

While Indiana can be proud of broadening access to college, these accomplishments have not necessarily translated into degree completion for all students. Today, approximately one-third of full-time students seeking a bachelor's degree at Indiana's public and independent colleges and universities will graduate "on-time" in four years (the rate increases to 57% after six years).¹ Minority and low-income students graduate at much lower rates. Additionally, the Community College of Indiana, which enrolls approximately 33% of all students in the public sector, has "on-time" two-year graduation rates of 12% for full-time students seeking an associate degree.⁶

Economic Benefits of Degree Completion

While there are clear economic and personal benefits for earning a bachelor’s degree, the benefits of simply attending college without completion are not so clear. Persons with some college increase their earning potential by \$4,423 over a high school graduate compared to \$17,249 for persons with a bachelor’s degree.⁷

Since nearly two-thirds of students attending four-year public colleges finance a part of their education through loans⁸, many students may leave college with educational debt, but without the educational credentials that will lead to a better job and higher wages. Such students are *ten times* as likely to default on their loans, and twice as likely to be unemployed when compared to student borrowers who complete their degrees.⁹ Furthermore, postsecondary education trend data for industrialized countries suggests that the U.S is losing its competitive position and Indiana will have to “*increase the number of its citizens who have baccalaureate degrees by 10,000 per year, if Indiana is to compete internationally.*”¹⁰



Indiana will simply have to do better on a number of fronts, including increasing the baccalaureate completion rate at all universities, especially those with very low four- and six-year completion rates, and increasing the number of community college students who transfer and complete a baccalaureate degree. Access without completion may give Hoosier students a false sense of security and could jeopardize the state’s ability to be competitive in the global economy.

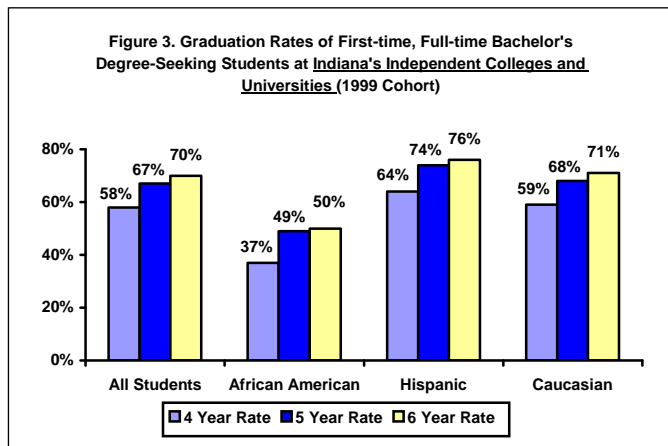
Access-to-Completion Agenda

It is time for a renewed agenda in higher education – one that focuses on increasing opportunities for student persistence and success and removing any remaining barriers to college completion.

This *access-to-completion* agenda must encompass both state and institutional policy changes if success is to be achieved. The good news is that promising factors and lessons learned about student success exist and can serve as the foundation for this renewed agenda.

Lessons Learned

One of the most important factors in determining college and university behavior is the mechanism of financial incentive. In line with the historic focus on increased access, colleges and universities have been funded through a model of enrollment growth in terms of tuition and fees for all institutions as well as state



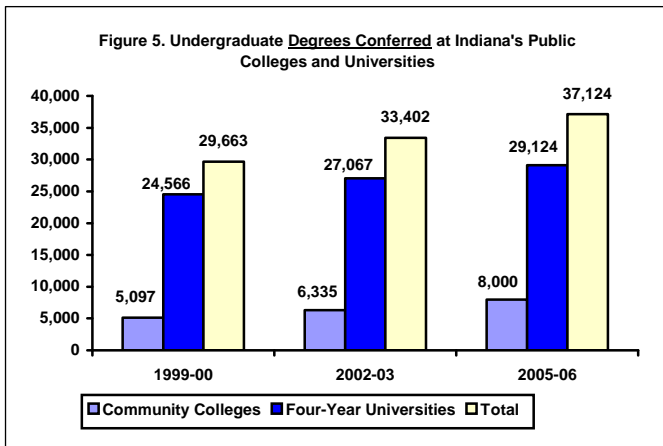
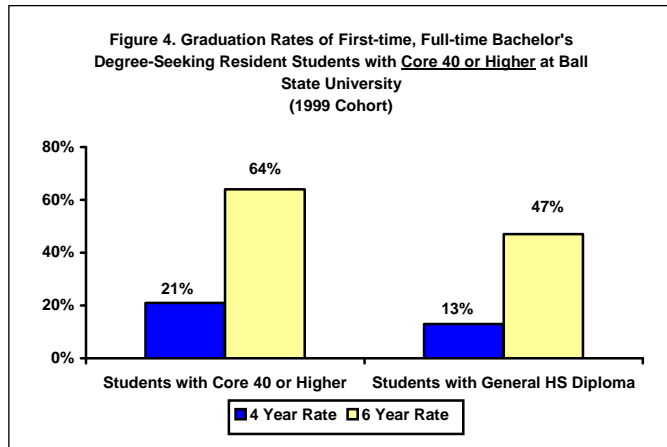
support for the public institutions. These foundational incentives have been a key contributing factor to the unprecedented success in expanding access to higher education for all students. Conversely, there have not been widespread financial incentives for colleges and universities to graduate more students and graduate students in a timely way.

Additionally, research indicates that the *best predictor of success in college is the preparation received in high school.*¹¹ This is demonstrated in the higher graduation rates of students at private

or independent colleges and universities that generally tend to be more selective in their admission standards.¹ It is further demonstrated at selective four-year public universities for students who attend full-time and completed a rigorous high school curriculum.¹²

Conversely, students are less likely to graduate if they attend on a part-time or intermittent basis, are academically under-prepared, work more than 20 hours per week, fall behind in credits in their first year of college study, and/or are a first-generation, minority, or low-income student.¹³

Research indicates that approximately two-thirds of the variation in degree completion rates can be attributed to such student characteristics.¹³ However, evidence suggests that barriers to degree completion can be overcome even at institutions serving such at-risk students.¹⁴ This is further accented by Indiana's colleges and universities performance in increasing the number of degrees conferred annually despite significant and ongoing enrollment increases that have included more and more at-risk students.¹²

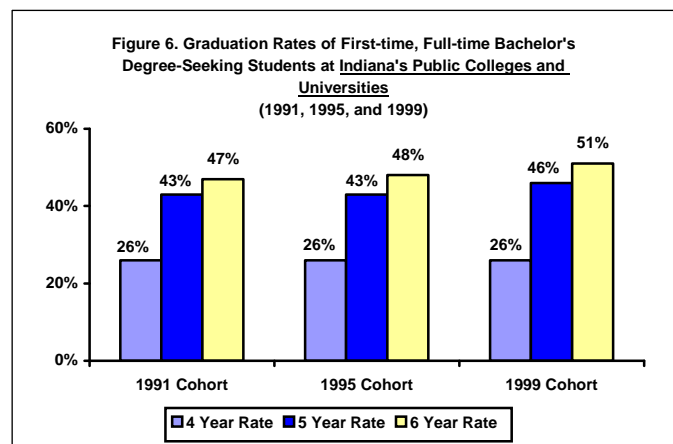


Such success in increasing the number of degrees awarded can, at least in part, be attributed to student retention efforts that have been initiated in some form or fashion on each campus. These efforts focus on class size, student and faculty relationships, campus connectivity, and academic support services particularly in the first two years of college. In particular, Indiana does have a few universities that have received national recognition in such advances toward creating a climate to improve student persistence and degree completion.

Even with such efforts, college graduation rates in general have not improved dramatically over the past few decades.¹² While it may be too soon for Indiana to fully realize the benefit from institutional efforts over the past several years, this should serve as a rallying point for enhancing and increasing services and programs or raising the awareness of initiatives currently in place.

Call-to-Action

Indiana must be a national leader in a new call to action in higher education – the *access-to-completion agenda*. As stated in *Reaching Higher: Strategic Directions for Higher Education in Indiana*, the Indiana Commission for Higher Education set forth a broad-based student success goal to: “Prepare all students with the knowledge, skills, and credentials necessary to succeed in the workplace, in the community, in further education, in living enriched lives, and in being globally competent citizens.”



Reaching Higher set forth a specific objective that *Indiana must aspire to dramatically improve the number and timeliness of college graduates, and become a national leader (Top 10) in retention at each grade level, on-time graduation rates, and reportable three-year (associate degree level) and six-year (baccalaureate degree level) graduation rates, and particularly in graduating at-risk and underrepresented students in higher education (achieve Top 10 status) by 2012.*

To reach this objective, the document calls upon the Commission and Indiana's colleges and universities to lead these efforts, which will require both State-level and campus-level roles and strategies. The following recommendations are put forth to initiate further discussion and move key efforts forward.

The State Role

Indiana must clearly and consistently establish college completion as the primary objective for all Indiana's colleges and universities. This degree completion objective must be elevated above other important, and sometimes competing, objectives of enrollment growth, capital expansion, and fundraising. The State can support the primary objective of college completion in several ways.

As proven with access, *financial incentives can be powerful motivators* especially applied consistently over time. Outcomes-based incentives should gradually replace the current enrollment-based incentive. By doing so, the State will send a strong message of the importance and expectation of increasing college completion. These outcomes-based incentives include:

- Course completion incentive
- Degree growth incentive
- On-time graduation rate incentive
- Transfer incentive
- Premium for low-income students

The end goal of increasing college completion without diminishing quality should become the guiding principal for Indiana's colleges and universities.

- The Commission recommends replacing the enrollment growth incentive with a **course completion incentive**. The goal of the incentive is move emphasis away from simply filling seats to ensuring students progress toward a degree. To be successful, institutions will need to carefully analyze why students do or do not complete courses and how completion could be improved without diminishing quality.
- The Commission recommends continuing the **degree growth incentive** that Indiana adopted in the 2007-09 biennial budget. The incentive rewards institutions for increasing the number of degrees awarded over a two-year time period with the goal emphasizing graduation rather than admission. This incentive captures all students regardless of whether or not they graduated in two years or ten years, attended on a full-time or part-time basis, or transferred into another institution. This is particularly important for leveling the playing field for community colleges and regional campuses as they typically have more part-time students and serve students who take longer to graduate.
- The Commission recommends continuing the **on-time graduation rate incentive** that Indiana adopted in the 2007-09 biennial budget. The goal of the incentive is to graduate more students within four years for a bachelor's degree and two years for an associate degree. Clearly, both the students and the state benefit through timely graduation in terms of tuition and fees and state appropriations. For example, the total cost (including room, board, tuition, books, and state support) of one year at the Purdue University West Lafayette or Indiana University Bloomington campus

exceeds \$25,000 and at a community college \$7,000. By shortening the time to degree, students, communities, and the State benefit from a quicker turnaround into the workforce and the associated earning potential. An institution benefits from a more efficient use of its capacity of human and physical resources to improve quality.

- The Commission recommends continuing the **transfer incentive** that Indiana adopted in the 2007-09 biennial budget. The incentive provides funding to community colleges for students that successfully transfer to Indiana's public four-year institutions. Research indicates that formal transfer from a community college to a four-year college is positively associated with degree completion.¹⁵ The goal of this incentive is to continue to expand degree completion pathways across the sectors of Indiana's higher education system.
- The Commission recommends that these outcomes-based incentives include a **premium for low-income students**, specifically Pell grant recipients and 21st Century Scholars. Students from the lowest income quartile have a 12% chance of attaining a bachelor's degree compared to 72% of students from the highest income quartile.¹⁶

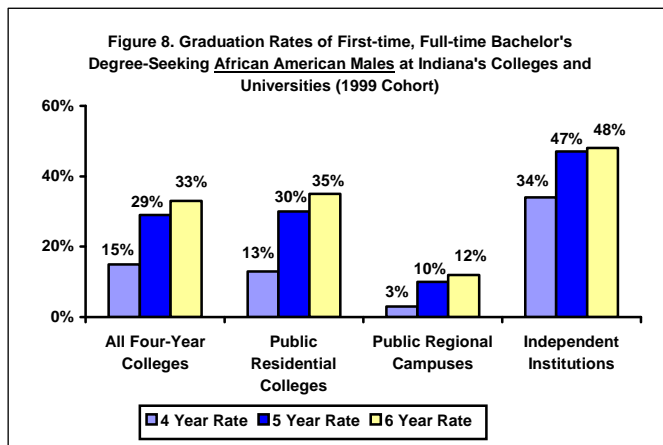
As previously stated, college preparation is one of the best predictors of college success. **Core 40**, Indiana's college preparation curriculum, will become the **required high school curriculum** for graduates in **2011**. Core 40 also will become the minimum curriculum requirement for admission to Indiana's public four-year universities. To increase chances for college completion, students must be admitted into an institution best suited for meeting their academic needs and career aspirations. This will require a higher education system in which there are clear standards of admission based on preparation, but it also requires a system that ensures a student can progress based on personal capacity, capability, persistence, and commitment.

- The Commission recommends that Ball State University, Indiana University Bloomington, and Purdue University West Lafayette gradually raise their respective regular curriculum admission standards to Core 40 with **Academic Honors or Technical Honors** for all their schools and departments, and communicate this admission standard to students and their families and high schools to provide ample opportunity for students to plan and prepare.
- In line with the 2001 systematic reduction of remedial course offerings at the public-four year institutions, the Commission recommends **eliminating all remedial courses** at Indiana's public four-year colleges and universities by 2011. By 2011, the Core 40 curriculum will have been made available to high school students for sixteen years. A study of the California Community College system demonstrated that the likelihood of a student attempting a college-level Math course after beginning in a remedial level math course is 10% (25% for students attempting a college-level English course after beginning a remedial English course).¹⁷ Furthermore, research indicates that students, otherwise identified through placement exams as unprepared or ineligible for credit-bearing college-level courses, were generally 70%-80% as successful in those courses as eligible students.¹⁸ The Community College is less than half the cost of a four-year university and a more appropriate place for remedial work. As such, students seeking admission at an Indiana four-year public university but needing remediation should be referred to the local Community College with a prescription of classes to successfully complete in order to be admitted. The Commission will support this recommendation by not including remedial education course FTE in the State's higher education funding incentives for the four-year colleges and universities beginning in 2011.

So that the emphasis on graduation becomes broader and deeper, the Commission should shine a bright light on the college completion issue, appropriate measurements, and best or promising practices that are occurring on Indiana's college campuses. The Commission should request that Indiana's colleges and universities develop a plan for improving college completion on their respective campuses and include a

progress report on those plans as part of the State's biennial budget process. There are certain aspects that the Commission recommends be a part of each plan.

- The Commission recommends that the **colleges and universities set goals for improving graduation rates** over a five-year and ten-year period. These goals should be benchmarked to aspirational peers selected by each institution.
- The Commission recommends that specific attention be given to improving **graduation rates for minority and low-income students**, rates that are substantially lower than other students. For example, African American males graduate at less than half the rate of other students.¹ The continuing difference in graduation rates among groups of students are unacceptable, especially when the population of students most in need of higher education include increasing numbers of minority, low-income, and first generation students. These students are precisely those whose employment will fuel Indiana's future economy.



- The Commission recommends that specific attention be given to increasing the **quality of student learning**. There are several newly developed national assessments of student learning. In their plans, the colleges and universities should adopt one of these models or identify other indicators of student learning and publicly report the results.

As part of its statutory authority, the Commission reviews and approves degree programs for Indiana's colleges and universities. In an effort to align this process with the access-to-completion agenda, the Commission must strengthen the outcome expectations of its **program approval process**.

- The Commission should require institutions to provide the targeted number of degrees conferred and graduation rates per year for full-time and/or part-time students depending upon the focus of the proposed program as well as information on the delivery mechanism(s) of the program for the target audience(s) (i.e., traditional full-time students, part-time working adults, etc.).
- The Commission should provide conditional approval of proposed programs (three year period for two-year programs, five year period for four-year programs) based on targeted awards conferred and graduation rates through a process that would allow for corrective action, if needed, to take place.
- The Commission should seek authority to eliminate degree programs that it has reviewed and approved based on low degree production and/or graduation rates.

The Campus Role

Indiana's colleges and universities have been effective partners in delivering the message that postsecondary education is important, critical, and within reach of all students. They are viewed as pillars of the development of Indiana's workforce and important contributors to the economic vitality of local

communities and the State as a whole. The messages that these institutions deliver have deep impact on all levels of the educational system, particularly faculty and staff in high schools and students and their families.

- The Commission recommends that Indiana's colleges and universities **communicate an expectation** with students and their families that they can graduate in two years for an associate degree and four years for a bachelor's degree.
- The Commission recommends that Indiana's colleges and universities work with local and feeder high schools to ensure **instructional alignment** between the **Core 40 courses and key courses in the first-year of college** so students are receiving the best preparation for college. The goal is to eliminate the need for remedial coursework in college for recent high school graduates.
- The Commission should generate **high school feedback reports** to all high schools in the state, indicating, among other things, which Indiana colleges their graduates attended, whether they needed to take remedial courses, their college GPA, and their persistence and graduation rates.
- The Commission recommends that Indiana's colleges and universities work with Indiana's high schools to expand **dual credit and Advanced Placement** opportunities to every high school by 2010 as a bridge between high school and college. Such programs provide students with an opportunity to complete college courses early and decrease the time-to-degree. A statewide initiative could be launched to identify a essential set of at least a dozen courses that should be widely available throughout the state and through a variety of mechanisms, including distance education delivery and courses taught by high school faculty in a high school setting. These courses could be drawn from the Core Transfer Library (CTL), or added to the CTL if they are not currently included. To the extent high school faculty are utilized to deliver these essential courses, the initiative could also include outreach activities to increase the pool of high school faculty qualified to teach these courses.
- The Commission recommends that Indiana's colleges and universities work with Indiana's K-12 schools to **provide support and professional development** to teachers currently in the classroom. The preparation of Indiana's high school graduates entering the higher education pipeline is a reflection of the instruction received in K-12 education. It is important that Indiana's teachers, a majority of whom received their training at Indiana's universities, be equipped in methodologies that are relevant, rigorous, and connected to engaging today's students, recognizing that historically prevalent traditional models may no longer be applicable or productive.

Indiana's colleges and universities already are pursuing a number of innovative strategies to improve college retention and completion. Institutions should be encouraged to be creative and experiment with piloting and implementing a variety of innovative and promising programs, practices, and processes designed to enhance and ensure a culture of college completion on campus. This may require a radical shift in such areas as class scheduling, designing and delivering courses and programs, instructional delivery, recruiting students, and campus design. Institutions should be provided a forum to share there findings, lessons learned, and best practices as a means of building momentum, sustainability, and collaboration.

- The Commission recommends that Indiana's colleges and universities at the **campus level** investigate and pursue a number of initiatives designed to improve college completion. Some of these initiatives might include:
 - Analyzing associate and baccalaureate general education requirements, to identify those courses that most often satisfy general education requirements across campuses, so that these courses can be offered every semester in classroom and distance education settings, thus ensuring that students always have access to key courses needed to complete degrees on time

- Encouraging the use of common degree audits and complementary course scheduling software to assist students in developing individualized degree completion plans; high school students should also be encouraged to utilize this software in connection with dual credit offerings.
 - Utilizing the TransferIN website as a “degree pathways” initiative in which it becomes a common online reference for Hoosier students, faculty, families, and academic advisers to use in assisting students make timely progress toward their degrees. The initial focus could be on content related to the Core Transfer Library and the 12 statewide degree transfer programs, expanding to other commonly offered degrees as appropriate.
 - Working collaboratively with other Indiana colleges and universities to target students who have earned a majority of credits toward a degree, but have “stopped out” of college. The goal would be for the local college or university to target those students through a stop-out recovery program similar to the program implemented at Indiana University Kokomo.
 - Identifying key gateway math and English courses and engaging in a course transformation process to improve the success rate for students enrolled in these courses.
 - Utilizing the Indiana e-Transcript Initiative to incorporate high school transcript information into college student information systems; this data can be used to analyze the success of students with particular course-taking patterns from particular high schools, and enables the colleges to engage in dialog with feeder high schools to better prepare their graduates.
 - Reviewing bridge programs, freshman year experiences, and student academic and support services; efforts could also be undertaken to develop consensus around a statewide universal “passport” type program.
 - Identifying a common approach toward prior learning assessment, which is critical to a subset of returning adult students.
 - For the community colleges, reviewing the way in which remedial education is delivered and identifying benchmarks with respect to the utilization of technology in delivering remedial education effectively and efficiently.
 - Clarifying the role of the community college with respect to delivering remedial, developmental, ESL, and adult basic education.
 - Designating pathways to graduation for working adults (e.g., Indiana Wesleyan and the Community College for Working Adults) and identifying strategies like these that they will pursue to meet their graduation goals.
 - Considering incentives to students to complete an associate degree “on-time” in two years or bachelor’s degree “on-time” in four years (e.g., change a loan into a grant for last year, reduce tuition for senior year/last semester of college, etc.).
- The Commission recommends that an **annual statewide forum** be held to allow Indiana’s colleges and universities to share strategies, best practices, evaluation, and research on retention and completion efforts implemented at the campus level.

Summary of Key College Completion Recommendations

STATE-LEVEL

ICHE recommends Indiana's **higher education funding formulas** shift from an enrollment-based system to an outcomes-based system that includes:

- Change in the number of **course completions** (in lieu of enrollment growth) for each campus;
- Change in the number of **degrees conferred** for all campuses;
- Change in **on-time graduation rates** for all campuses; and
- Change in the **number of credits transferred** from the community colleges to the four-year institutions.

ICHE recommends that these outcomes-based incentives include a **premium for low-income students**, specifically Pell grant recipients and 21st Century Scholars.

ICHE recommends that Ball State University, Indiana University Bloomington, and Purdue University West Lafayette adopt Indiana's Core 40 with **Academic Honors and Technical Honors Diplomas** as the minimum curriculum admission standard for all their schools and departments.

ICHE recommends **eliminating all remedial courses** at Indiana's public four-year colleges and universities.

ICHE recommends that Indiana's colleges and universities develop **plans for improving college completion** with a progress report provided as part of the State's biennial budget process. Plans should include:

- **Goals** for improving graduation rates over a **five-year and ten-year period** and benchmarked to aspirational peers selected by each institution.
- Specific goals for improving graduation rates for **minority and low-income students**.
- Specific emphasis on increasing the **quality of student learning** by adopting existing measures or identifying other indicators of student learning and publicly reporting the results.

ICHE recommends strengthening the outcome expectations of its **program approval process** to align with the goal to improve college completion rates.

CAMPUS-LEVEL

ICHE recommends that Indiana's colleges and universities communicate an **expectation** with students and their families that they can graduate in two years (associate degree) or four years (bachelor's degree).

ICHE recommends that Indiana's college and universities develop **stronger relationships with feeder high schools** to narrow the gap in expectations between high school and college. This could include:

- **Instructional alignment** between Core 40 courses and key courses in the first-year of college.
- **High school feedback reports** on performance of students for all Indiana high schools.
- Expanding **dual credit** and **Advanced Placement** opportunities to every Indiana high school.
- Providing support and **professional development** to teachers currently in Indiana's classrooms.

ICHE recommends that Indiana's colleges and universities at the **campus level** investigate and pursue innovative and promising programs, practices, and processes to **ensure a culture of college completion**.

ICHE recommends that an annual statewide forum be held to allow Indiana's colleges and universities to **share strategies, best practices, evaluation, and research** on retention and completion efforts.

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