

CORE
CONCEPTS
IN HIGHER
EDUCATION

SECOND EDITION

PUBLIC POLICY AND HIGHER EDUCATION

Reframing Strategies for Preparation, Access, and College Success



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ROUTLEDGE

9

COMPREHENSIVE STRATEGY

The Indiana Case

Indiana was the first state to develop a comprehensive approach to improving educational opportunities for low-income students. The 21st Century Scholars (TFCS) program was modeled after the “I Have a Dream” program in New York City schools. Any low-income student who took a pledge to prepare for college would receive a promise of financial aid equal to tuition; in addition, programs would be created so that the families of the students could learn how to help them prepare for and succeed in college. Governor Evan Bayh signed the program into legislation in 1990, but it was controversial and began as an unfunded mandate. In 1990, the Lilly Endowment partnered with the state by funding the parent component, and eventually the state funded its grant obligation. The TFCS program has been treated as a national model (Advisory Committee on Student Financial Assistance, 2002), with features of the program being replicated in other states.

The 21st Century Scholars program operates as a hybrid merit and need-based aid program. In 8th grade, eligible students sign a pledge that they will achieve a minimum 2.0 GPA in high school; avoid drugs, alcohol, or other illegal activities; apply to and gain acceptance to a college in the state; and file the Free Application for Federal Student Aid (FAFSA) on time (State Student Assistance Commission of Indiana, 2011). To be eligible, students must qualify for the free or reduced-cost lunch program at the time of the pledge and must sign the pledge. If eligible students meet their obligations, the state guarantees them a full four years of tuition at a public university or a comparable amount to be used at a participating private institution in Indiana (St. John, Musoba-Simmons, & Chung, 2002), even if their families’ finances change.

The financial aid guarantee provided by the TFCS program has certainly been an important part of the Indiana story and the gradual improvements in access in the 1990s compared with other states. However, while the total grant commitment—to fund tuition—was substantial, the actual increase in per-student cost over the state’s base grant was modest, because a relatively small proportion of students qualified, and the state of Indiana also funded a generous need-based grant program in the late 1990s and early 2000s. Indiana had also made changes in high school graduation requirements to

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increase the number of high school students who were prepared to go on to college. That the guarantee provided an incentive for academic preparation in an environment that already encouraged and supported it is a part of the story not frequently told (Lumina Foundation, 2008).

Although the TFCS program has received substantial attention because of its apparent impact on improvement in college enrollment in the late 20th and early 21st centuries, the more remarkable story is that the state also developed and maintained an integrated approach to education reform that included early reading reform, professional development for teachers, new standards for high school graduation, and a coordinated approach to need-based student aid that was integrated with educational policy and promoted fair access for all students. In fact, Indiana has historically been—and still is—more conservative in education and social policy than other Midwestern states that had been early models of progressivism (e.g., Illinois, Michigan, Minnesota, and Wisconsin). Because of this, it would not have been possible to maintain the state's commitment to low-income students had the state not engaged in reforms supporting all students.

THE INDIANA STORY

Until recently, Indiana could be characterized as both conservative and progressive. It was part of the Northwest Territories, a region that evolved into progressive traditions with Wisconsin, Michigan, Illinois, and other states in the region. Unlike the others, Indiana did not seek to have the highest-quality or best-funded universities; rather, its conservative and liberal politicians sought to expand opportunity, an issue that became especially important as the rust belt industries of steel and auto manufacturing declined. The comprehensive approach that evolved in the state was research-based and aimed at using tax dollars well rather than outpacing peer states. With the election of a neoconservative governor in the late 2000s, some of the foundations built in the late 1990s and early 2000s have been dismantled (see current policies next), but the story of how the comprehensive approach evolved is important because it provides a model for collaboration between policymakers and researchers in efforts to expand opportunity.

Indiana's public higher education system developed a distinct set of generally accessible public colleges. There are two strong state research university systems—Indiana University and Purdue University—that have their own branch campuses. Purdue had the state's engineering school and Indiana had the state's medical school, and both systems were geographically distributed around the state. The Purdue and Indiana University systems provided geographic access to 4- and 2-year degree opportunities. There were also joint Indiana and Purdue campuses in Indianapolis and Fort Wayne. Some thought that Indiana had an exemplary model of 4-year degree access. Indiana's state universities—Ball State, Indiana State, and the University of Southern Indiana—were independent of these two large state systems. The state also had well-established independent colleges, including the University of Notre Dame and several liberal arts colleges.

In the early 1990s there was not a public 2-year college system in the state. Ivy Tech, the state's technical college system, had historically awarded technical certificates but not college degrees. Vincennes University, a regional public 2-year college in the southwestern corner of the state, was the 2-year college, but it had a residential feel and was not by any standard a community college, given that it was not geographically accessible to most Indiana state residents. Transfer students generally came from the regional campuses of IU and

Purdue. Based on a review of access in the state, Gary Orfield (1997) argued the Indiana provided better access to 4-year degrees than did states with separate 2- and 4-year systems. The state had a sound K–12 system but ranked low on test scores (St. John & Musoba, 2010). Major developments during the 1990s and early 2000s in policies affecting preparation, access, and college completion, which comprised Indiana's comprehensive approach, along with the role of research informing these policies, are discussed next, before reviewing trends in policies and outcomes.

A Period of Change

The Indiana Commission for Higher Education (ICHE) was formed in 1971 and was made up of a 14-member board of gubernatorial appointees representing the congressional districts of the state, a faculty representative, and a student representative. The commission was charged with the responsibility to:

- define the educational missions of Indiana's public colleges and universities;
- plan and coordinate Indiana's state-supported system of postsecondary education;
- review budget requests from public institutions and the State Student Assistance Commission (SSAC); and
- approve or disapprove the establishment of new programs or expansion of campuses for public institutions.¹

Coordinating agencies play different roles in different states. Historically, Indiana's agency had a strong research capability, a tradition established by George Weathersby, who left his faculty position at Harvard to become commissioner in 1976. The state had developed a student record system for public higher education and coordinated with the Independent Colleges of Indiana, Inc., and analyses included students in private colleges. Weathersby had been staff director for the National Commission on the Financing of Postsecondary Education in the early 1970s and had helped design a strong need-based grant system. The independent colleges had a strong lobbying presence in Indianapolis for the state's need-based grant programs. Purdue, Indiana, the state universities, and Ivy Tech also actively lobbied for funding, but in spite of these pressures the ICHE maintained a rational budgeting formula into the 1990s.

Stan Jones, a former state legislator and student body president at Purdue University, was appointed commissioner in 1995 and served through 2000. He was the first appointee who did not come from a background in higher education. During his term as commissioner, Jones was credited as the architect of several major initiatives, including:

- creating and expanding 21st Century Scholars, a scholarship program aimed at increasing the number of low-income students attending and completing higher education;
- developing the Community Colleges of Indiana, the state's community college system;
- forming the Indiana Education Roundtable, a bipartisan consensus-building group of key policymakers focused on improving student achievement P–16;
- establishing the Core 40 as Indiana's required high school curriculum, an effort to improve student preparation for college and workforce success; and
- developing Reaching Higher, the commission's strategic plan focused on significantly increasing college graduation rates.

During these years, the various branches of government collaborated on the development of a comprehensive, coherent set of strategies. During most of this period, the two houses of the legislature were divided—one Democrat and the other Republican. The superintendent was an elected Republican. Stan Jones was appointed by a Democratic governor, and the statehouse remained Democratic until the end of his term. The Indiana Education Policy Center (IEPC), an independent research organization housed at Indiana University, collaborated with the ICHE, the governor's office, legislative staff, and foundations in the state (i.e., Lilly Endowment and Lumina Foundation for Education) on research supporting and informing policy development throughout most of this period (Hossler, Schmit, & Vesper, 1999; St. John, 2013c; St. John, Loescher, & Bardzell, 2003; St. John & Musoba, 2010; Theobald, 2003).² The IEPC was a trusted source of research but generally did not make specific recommendations in their reports; rather, analyses of policy options were provided to inform positions and an effort was made to maintain political neutrality. In fact, the credibility of the research was dependent on providing balanced analyses, especially given the split control of the legislature.

Indiana's Balanced Approach

Indiana's balanced approach to providing access to higher education began to develop even before Stan Jones's appointment as commissioner. The cornerstone of the approach was the 21st Century Scholars program. At the time, Jones was a state legislator who supported the unfunded initiative; he then served as a special assistant on education to Governor Bayh. The key feature of the 21st Century Scholars program was the pledge taken by low-income students in the federally subsidized lunch programs. Students agreed to take the steps to prepare for college, remain drug-free, and apply for college and financial aid, while the program committed scholarships equaling tuition at a public college (and an amount equaling the tuition and state institutional subsidies in private colleges). After implementation, a balanced approach to preparation and access emerged in Indiana that provided the basis for the pathways to change model (see Figure 4.1).

Another important feature of Indiana's balanced approach was coordination with high school preparation. Under the leadership of Suellen Reed, superintendent for public instruction in Indiana from 1992 to 2008, the state had developed an honors diploma. When Jones became commissioner of ICHE in 1995, he advocated for the Core 40 in all high schools as a step toward preparing students for enrollment in 4-year colleges. By the late 1990s, all high schools were required to provide the full Core 40 curriculum. A school finance committee was created comprising representatives from the governor's office, legislative staff for education and budget committees, and a representative of the Indiana Department of Education. With analytic support by the IEPC (Theobald, 2003), the committee developed a funding formula that provided supplemental funding to schools with low-income students and incentive funding for schools to improve the percentage of students graduating with Core 40 and honors diplomas.

In the years before Jones was appointed commissioner, there has been a concerted effort to build an infrastructure that supported encouragement services. Don Hossler, a professor at Indiana University, was actively engaged as a researcher supporting development of the early college information programs in the state, which led to the creation of the Indiana Career and Postsecondary Advancement Center (ICPAC), charged with providing information and encouragement services throughout the state (Hossler & Schmit, 1995). ICPAC assumed coordination of the support services for 21st Century Scholars but also provided information to all potential college students in the state. ICPAC

collected surveys from all middle-school students, providing data used for several studies on college preparation and success in Indiana (e.g., Hossler, Schmit, & Vesper, 1999). Eventually, these surveys were linked to the individual student data collected by the state, and the survey data for the high school class of 1999 was linked to college enrollment data to provide a basis for evaluating the impact of the program on college enrollment and choice of institution (St. John, Musoba, Simmons, & Chung, 2002).

Through the late 1990s and early 2000s, the support services provided for the 21st Century Scholars program expanded (Evenbeck, Seabrook, St. John, & Murphy, 2004). There were regional centers across the state that provided mentoring for parents and students; an extensive telephone network was provided; both students and parents had opportunities to visit college campuses; and an evaluation was conducted to consider the effectiveness of the 21st Century Scholars program, which quickly became a model for other federal initiatives, including GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) and the federal 21st Century Scholars college readiness intervention program.

The primary challenge for Indiana was to ensure funding for the aid guarantee as part of the annual budget process. Over time, a series of tactics emerged. Nick Vesper, formerly a researcher with the Indiana Education Policy Center (IEPC), took a research position with the State Student Aid Commission of Indiana (SSACI) in 1995. He provided access for researchers at the IEPC to the extensive student aid data provided as part of the state system, making it possible to develop a series of studies assessing the impact of state grants on retention (St. John, Hu, & Weber, 1999, 2001). Vesper had also helped to create a funding scheme for state grants that differentiated amounts for students based on their diploma type: 100% of the base award for students with the honors diploma; 90% of funding for high-need students with Core 40; and 80% funding for the regular diploma. Central to the new funding policy was that the maximum base award for the neediest students would be set at the prior year's tuition charge if the program was fully funded; the 21st Century Scholars program already had the full commitment to student aid funding.

The full funding of the differentiated aid award scheme—a hybrid merit- and need-based aid—was held together by both conservatives favoring the merit features and liberals supporting the need-based features. Whereas the studies of student persistence may not have been persuasive to legislators in debates about maintaining full funding for student aid, they did lead to formation of an informal working group composed of staff from the governor's office to examine higher-education finance. Researchers in the policy center worked with the committee to examine alternative policies. A set of state indicators was developed for a report comparing Indiana's financing strategy to peer states using federal databases (St. John, Simmons, Hoeszee, Wooden, & Musoba, 2002).³ The report was released with a press statement by the governor's office in 2002; it encouraged the coordination of financial strategies, similar to the Minnesota model. For a few years, funding for student aid was maintained at a high level because of the informal indexing of aid to tuition and the attention given to research on comparison states. Despite these efforts, it was not yet clear whether Indiana's legislature would sustain a commitment to fund fully its need-based student aid programs as a means of maintaining fairness in public finance.

The study of the 1999 high school cohort in Indiana found that 21st Century Scholars were substantially more likely to enroll in the newly developing public 2-year colleges

or in private colleges (St. John, Musoba, Simmons, & Chung, 2002). In fact, many of the private colleges recognized that the 21st Century Scholars brought substantial resources with them, and some began to actively recruit and retain them. In contrast, the public campuses did not substantially alter their recruitment procedures to attract Scholars, nor was there much evidence of campus-based efforts to provide academic support to these students (Lumina Foundation, 2008).

Limitations of Indiana's Model

Indiana's comprehensive model depended on financial incentives for schools, colleges, and students that were embedded in the finance system, but there had been little formal consideration of retention. In fact, the Indiana campuses had a weak record of providing support services for Scholars, and Scholars' persistence did not differ significantly from that of other low-income students who had enrolled in college without the support of the program (Lumina Foundation, 2008). In fact, research showed that most low-income, first-generation students in Indiana could have benefited from additional support of the type provided by Washington State Achievers, another state-level program (St. John, Hu, & Fisher, 2011).

Yet, there was a history of projects focusing on retention in Indiana. In particular, the Lilly Endowment made substantial grants to Indiana's colleges and universities to promote persistence. At a planning meeting hosted by Indiana University in 2004 to discuss the future of retention projects, Don Hossler presented a review of the literature on persistence, finding that there had been only limited prior research using generally accepted standards evaluating interventions in persistence (Patton, Morelon, Whitehead, & Hossler, 2006). Representatives of many of the Indiana campuses claimed to have developed proven approaches. In response, an external expert was chosen by the campuses to review the evaluation studies of these various strategies. John Braxton's report reached a similar conclusion about the research by Indiana universities: few had actually documented impacts on persistence using generally accepted research methods (Braxton, McKinney, & Reynolds, 2006).

The Indiana Project on Academic Success (IPAS) was an attempt to model a research-based approach to improving retention (Musoba, 2006; St. John, McKinney, & Tuttle, 2006). A research team used state and national data systems to track students in the 2000 high school cohort from preparation through college to inform campus-based interventions by public and private colleges. There was substantial research evidence that interventions in orientation programs, learning communities, supplemental instruction services, and leadership education improved retention on campuses; some of these projects went to scale within institutional systems (Hossler, Gross, & Ziskin, 2009; St. John & Musoba, 2010). These projects may have modeled a new direction in state efforts to improve retention, but there has not been follow-up research; it is not clear whether more recent efforts to emphasize retention at the state level (e.g., Jones's "Reaching Higher" or performance funding) will improve retention in the public system.

TRENDS IN STATE POLICY AND FUNDING

Indiana made substantial gains in college access during the late 1990s and early 2000s. The roles and impact of policies on preparation, access, and retention are examined next.

Academic Preparation Policies

The changes in high school graduation requirements are illustrated in Figure 9.1. Indiana had implemented math standards and a requirement of at least two math courses for graduation by 1991, and started requiring an exit exam in 2000. A study of implementation of the exit exams revealed negative effects on high school completion by special education students (Manset & Washburn, 2000); in subsequent years, the policy was changed to accommodate special needs students. The Core 40 diploma, which required Algebra I, was the default curriculum. With parental approval, students could opt for a regular diploma type; however, student aid was substantially lower for students who did not complete the Core 40 program.

One distinctive feature of Indiana's approach was that all high schools were required to offer advanced diplomas and were funded for this extra effort before the college preparatory curriculum (Core 40) became Indiana's default curriculum. As illustrated in Indiana's balanced model, K-12 policies can have an indirect effect on college enrollment through improved preparation, as evidenced by modest gains in test scores in Indiana.

Another unique feature of Indiana's approach was development of a statewide organization to encourage academic preparation, especially for low-income students. The combination of guaranteed aid through the 21st Century Scholars program and encouragement programming through ICPAC was significantly associated with improved enrollment rates by low-income students, as demonstrated by research on the 21st Century Scholars program (e.g., St. John, Musoba, Simmons, & Chung, 2004). However, making the investment necessary to carry through with guarantees of need-based aid for Scholars and to fully fund need-based grant aid for all students has a substantial direct effect on enrollment and diversity. Trends in state finance, enrollment, and diversity by type of institution are examined next.

State Financing of Higher Education

There was a surge in public funding for student grant aid in Indiana during the early 2000s. But the ethos of the state suddenly shifted from its historic conservative progressive

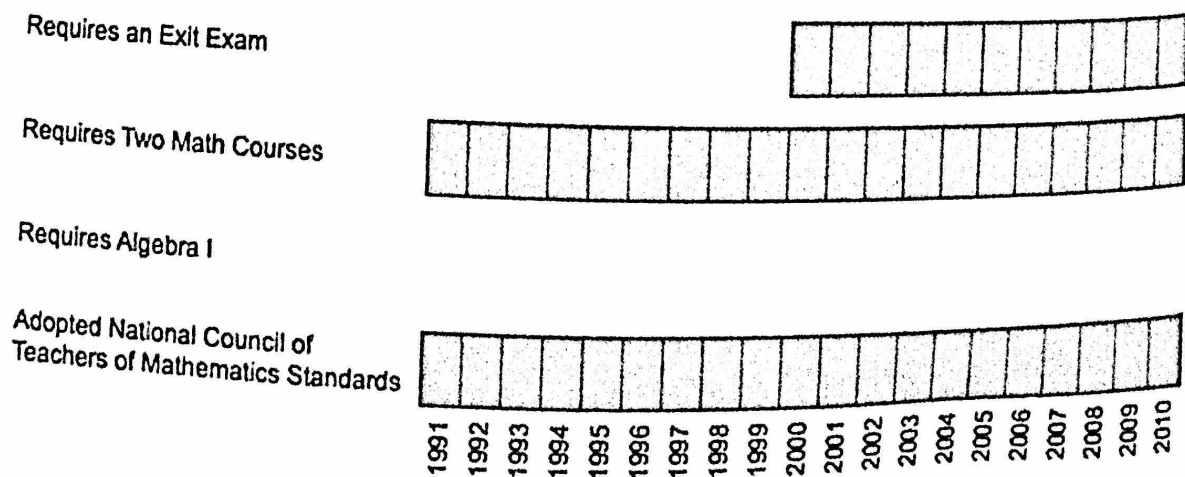


Figure 9.1 Trends in Indiana's Average Annual Amount of State and Local Appropriations per FTE for the Public Higher Education System Compared with the National Average (in 2008 Dollars)

tradition to a neoconservative position on public finance. The election of Mitch Daniels as governor in 2005 ushered in a new era of tax cuts and rollbacks in funding for higher education and other public services. Scott Gillie, executive director of Encouragement Services, Inc., and founding director of ICPAC, recently observed "the proportion of tax revenue for higher education in Indiana was the same in 2010 as 1952."⁴ These conditions have taken a toll on the financing of college access.

Funding for Public Colleges and Universities

When it became apparent in the early 2000s that the state did not have the tax dollars to expand access under its existing model, the policy indicators were developed to provide comparisons to other states in the region, including Kentucky (e.g., St. John, Simmons, Hoezee, Wooden, & Musoba, 2002). The intent of an informal bipartisan committee was to find a way to use available tax dollars to continue to expand opportunity in all types of institutions. At the time, the funding for the main campuses of Purdue and Indiana Universities was very low compared to other Big Ten institutions. It was important to keep per-student expenditures within the range of less-well-funded rivals, so there was relatively open discussion, at least among personnel engaged in budgeting for higher education, that the two key variables were state appropriations and tuition.

In 2000 and 2001, when the indicators research was being conducted, the state was on a trajectory toward decreased funding per student (Figure 9.2). It was recognized that the new community college system could increase enrollment at lower average cost. During

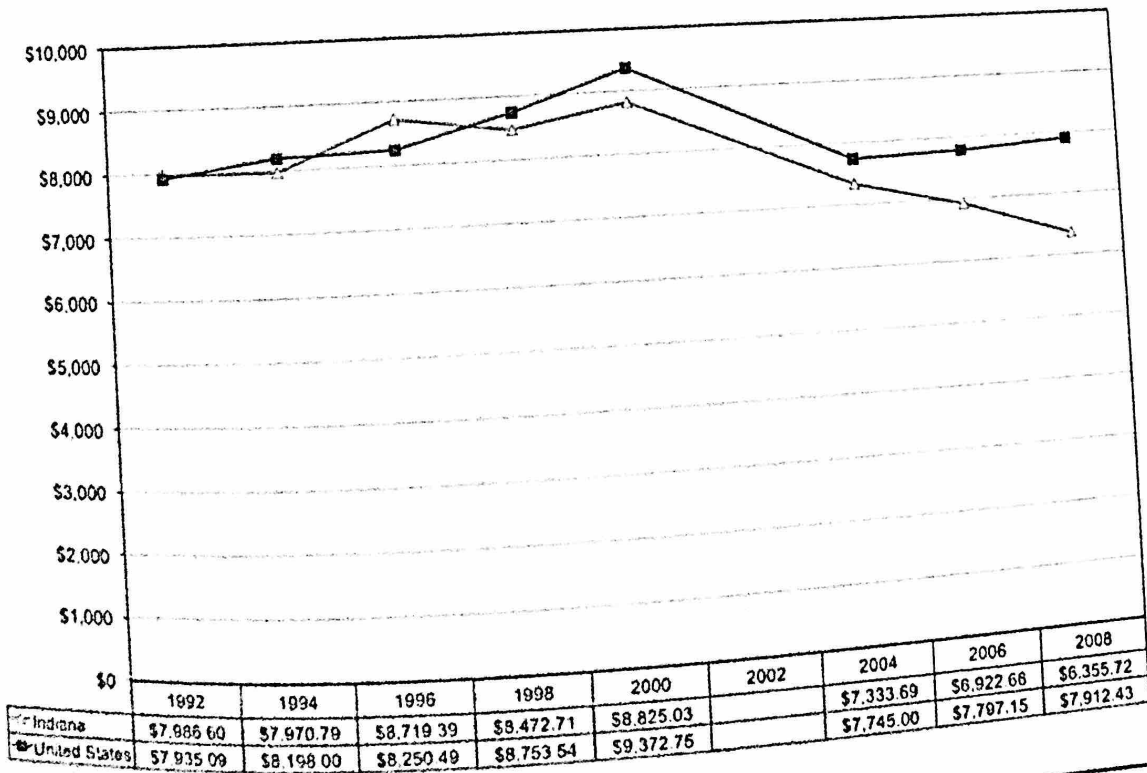


Figure 9.2 Trends in Indiana and U.S. Average Annual Amount of State and Local Appropriations per FTE for the Public Higher Education System Compared with the National Average (in 2008 Dollars)
 Source: Data from NCES Integrated Postsecondary Education Data System. Authors' imputations.

the same period, the national trend line was downward, but there was a near leveling of financial support for public colleges nationally, which was not the case in Indiana; in 2008, Indiana had the largest negative gap in funding compared with the national level of any period studied.

Public College Tuition Charges

In-state undergraduate tuition charges in Indiana were higher than the national average throughout the period (Figure 9.3), but the gap grew. Between 2000 and 2004, tuition charges grew faster in Indiana than in the nation, but both rates have flattened out. In Indiana, the leap in tuition charges corresponded with the downward trajectory in state appropriations. However, tuition leveled thereafter as state appropriations continued to decline, so the goal of maintaining educational funding for Indiana institutions became more elusive.

State Funding for Need-Based Grants

The rise in tuition charges raised the state's cost of funding 21st Century Scholars. There was a substantial rise in state funding for need-based grants in the early 2000s, as the state made efforts to fully fund the program and meet the guarantees made through the 21st Century Scholars program (Figure 9.4). Reflecting on the trends in need-based grants in Indiana, Scott Gillie observed, "Regarding 2002, I think 2000 was the aberrant year. The [upward] slope of the line is nearly linear, if you take out 2000. The drop in need-based aid more recently reflects the conservative politics of the governor and legislature and,

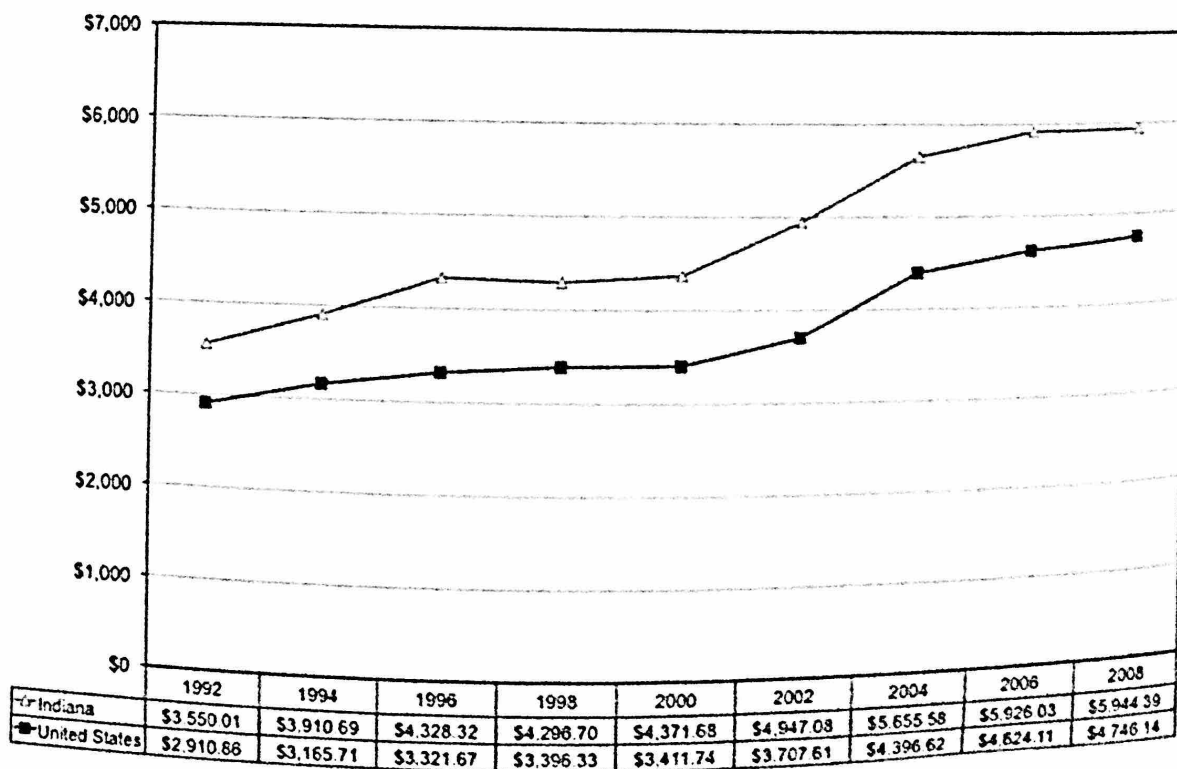


Figure 9.3 Trends in Indiana and the United States, Weighted Average Amount of Undergraduate In-State Tuition and Fees for the Public Higher Education System (in 2008 Dollars)

Source: Data from NCES Integrated Postsecondary Education Data System. Authors' imputations.

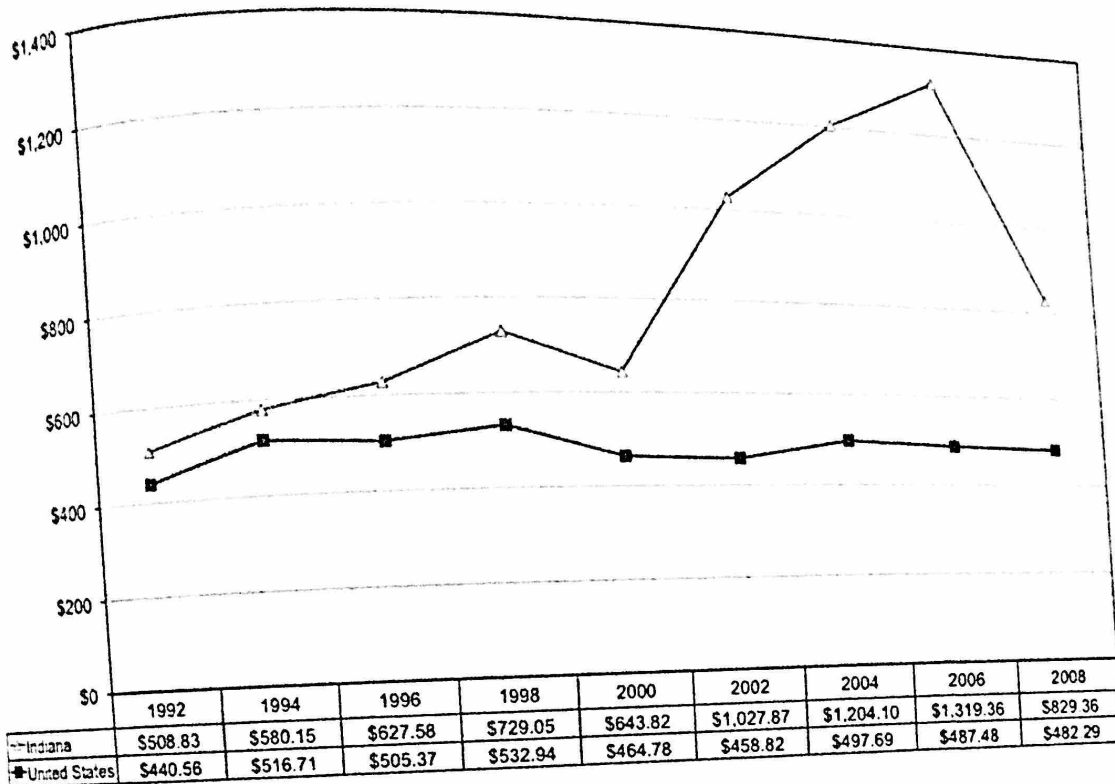


Figure 9.4 Trends in Indiana and U.S. State Need-Based Undergraduate Grants per FTE (in 2008 Dollars)
 Source: Data from National Association of State Student Grant & Aid Programs © 2011 Authors' imputations.

sadly, electorate.”⁵ There was a decline in state funding for need-based grants in 2008. Regardless of the cause of this dip in funding—and the politics of any coalition are difficult to hold together—the former balance of conservatism and progressivism shifted to the new conservative ideology in Indiana, a pattern evident in the decline in funding for state need-based grants, which continues.

The Relationship Between Public Tuition Charges and Need-Based Student Aid
 The central feature of Indiana’s comprehensive approach was coordination of tuition charges and need-based student aid. When the state fully funded the range of grant programs, the added costs of the 21st Century Scholars program were relatively modest. In years when the state did not fund the base grant program sufficiently, such as in 2000 and 2008, the ratio of tuition to grants dropped (Figure 9.5).

The drop in this ratio between 2006 and 2008 was extreme. Suddenly, this ratio was lower in 2008 than at any time during the years examined. By 2008, Indiana had departed from its comprehensive approach based on coordination of tuition and need-based student aid and was in danger of becoming a high-tuition/low-aid state.

TRENDS IN STUDENT OUTCOMES

Indiana’s case provides evidence of a relationship between coordinated public investment and improvement in opportunity. The case illustrates that it takes decades to build a new trajectory, but policy changes can occur rapidly. The case also illustrates that swings in

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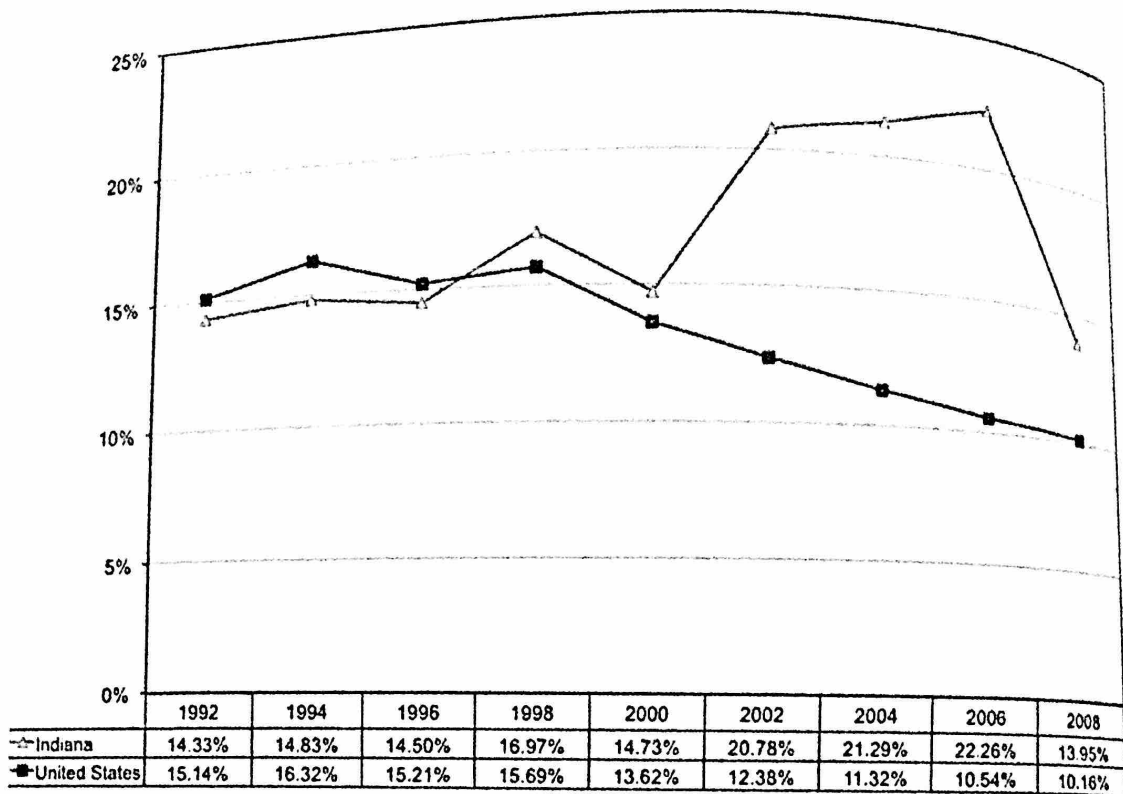


Figure 9.5 Trends in the Ratios of Need-Based Grants per FTE Compared with the Weighted Average Public Tuition Charges for Indiana and the United States

Source: Data from NCES Integrated Postsecondary Education Data System and National Association of State Student Grant & Aid Programs. Authors' imputations.

student outcomes don't always shift immediately with radical changes in policy. Cultures that support improvement in education take time to develop and change.

Academic Preparation

The linkages between high school graduation requirements and high school achievement outcomes are well established (Chapter 4). Next, we examine trends in graduation rates and test scores in Indiana.

High School Graduation Rates

The K-12 reforms implemented in Indiana in the late 1990s and 2000s neither improved graduation rates nor reduced inequalities across racial/ethnic groups (Figure 9.6). Graduation rates for Asian Americans exceeded 100% for seven of the 13 years, while graduation rates of whites hovered around 74%. Graduation rates for Latinos/as and African Americans oscillated during the 13-year period but were lower in 2008 than in 1996. Graduation rates for Native Americans also varied substantially across the period but were higher in 2008 than in 1996. The gaps in graduation rates between whites and Asians compared with African Americans and Latinos/as grew during the period.

SAT Test Scores

The participation rates in the SAT were generally higher in Indiana than the United States (Figure 9.7). Ironically, there was a dip in participation rates in 2000, the cohort studied

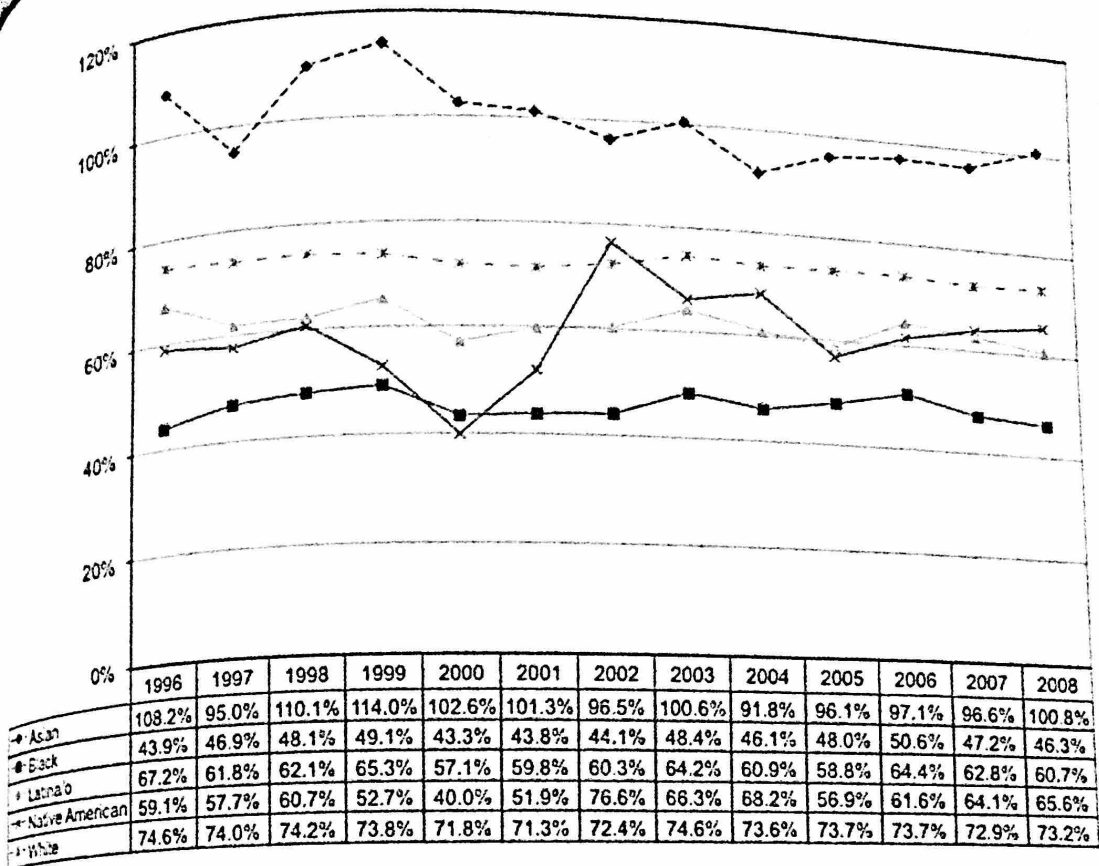


Figure 9.6 Trends in Indiana Public High School Graduation Rates by Race/Ethnicity

Source: Data from NCES Common Core Data. Authors' imputations.

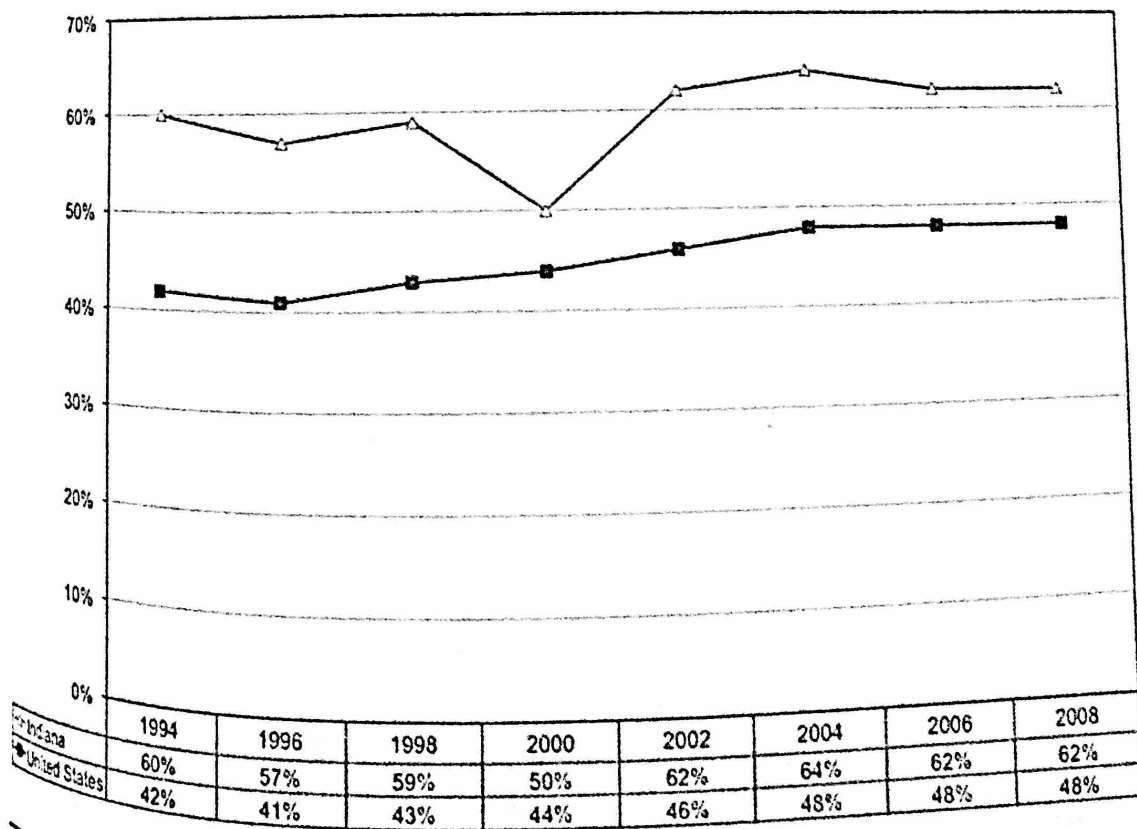


Figure 9.7 Trends in Percentages of Indiana and U.S. Students Who Took the SAT

Source: Data from The College Board. Authors' imputations.

for the baseline in the Indiana Project on Academic Success. SAT participation rose after 2000 and more than 60% of seniors had taken the exam between 2002 and 2008.

SAT score gaps narrowed between Indiana and the national average from 1992 to 2008 (Figure 9.8). In 1992, there was a 14-point differential in verbal scores, compared with a 6-point gap in 2008. In 1992, there was also a narrowing of the gap in SAT math scores (Figure 9.9). In 1992, Indiana had an average score of 487, compared to a national average of 501, a 14-point differential. In 2008, the differential was 8 points, 508 in Indiana compared with 516 nationally.

College Access and Diversity

The Indiana case first gained national attention because of gains in college continuation rates (e.g., Hossler, Schmit, & Vesper, 1999; St. John, Musoba, Simmons, & Chung, 2002). In 1994, Indiana was below the national average in college continuation rate—55% in Indiana compared with 57% in the United States as a whole (Figure 9.10). For the next decade, the rate climbed in Indiana while it declined in the United States overall, reaching 62% in Indiana in 2004, compared with a U.S. average of 56%. Between 2004 and 2008, the U.S. continuation rate grew more than in Indiana, but Indiana maintained a moderately higher overall percentage.

As the 2-year college system developed, the participation of African Americans began to rise (Figure 9.11). African Americans and Native Americans had been more heavily represented in the old Ivy Tech system, but the enrollment of African Americans rose

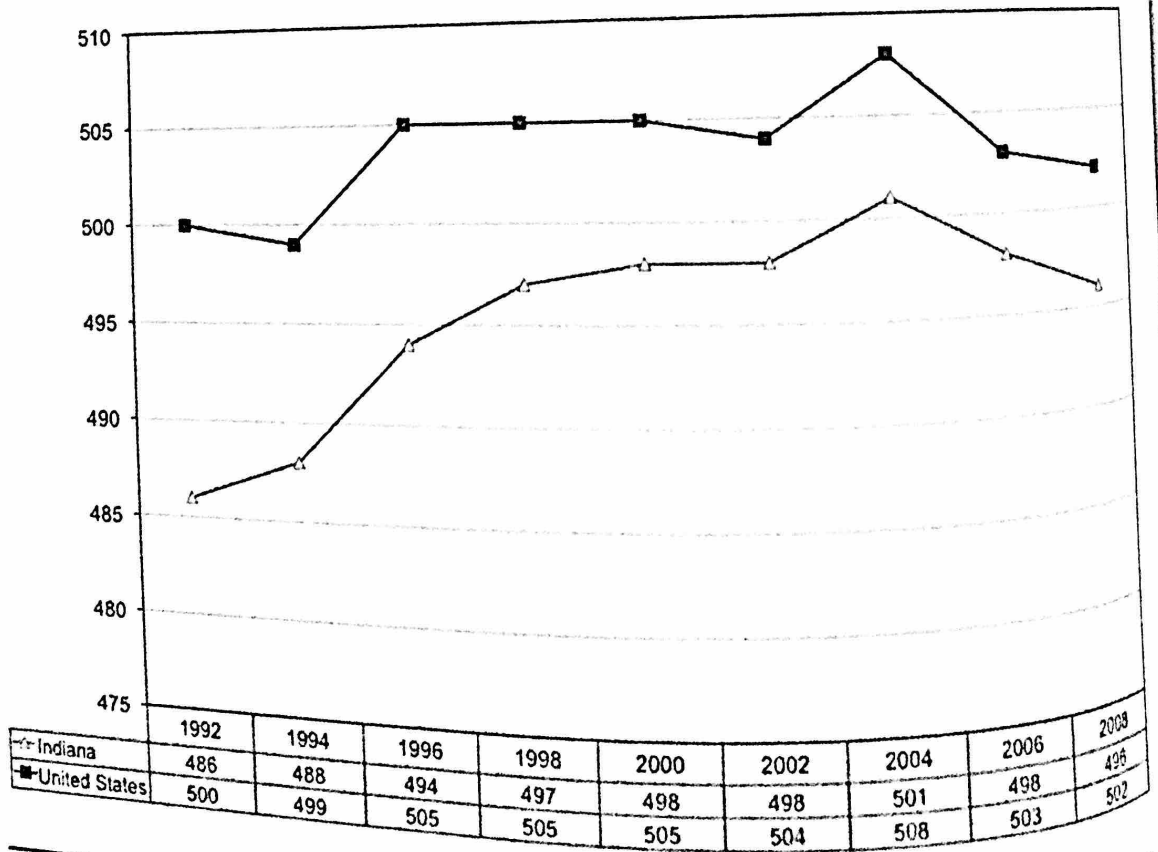


Figure 9.8 Trends in Average Indiana and U.S. SAT Verbal Scores
 Source: Data from The College Board. Authors' imputations.

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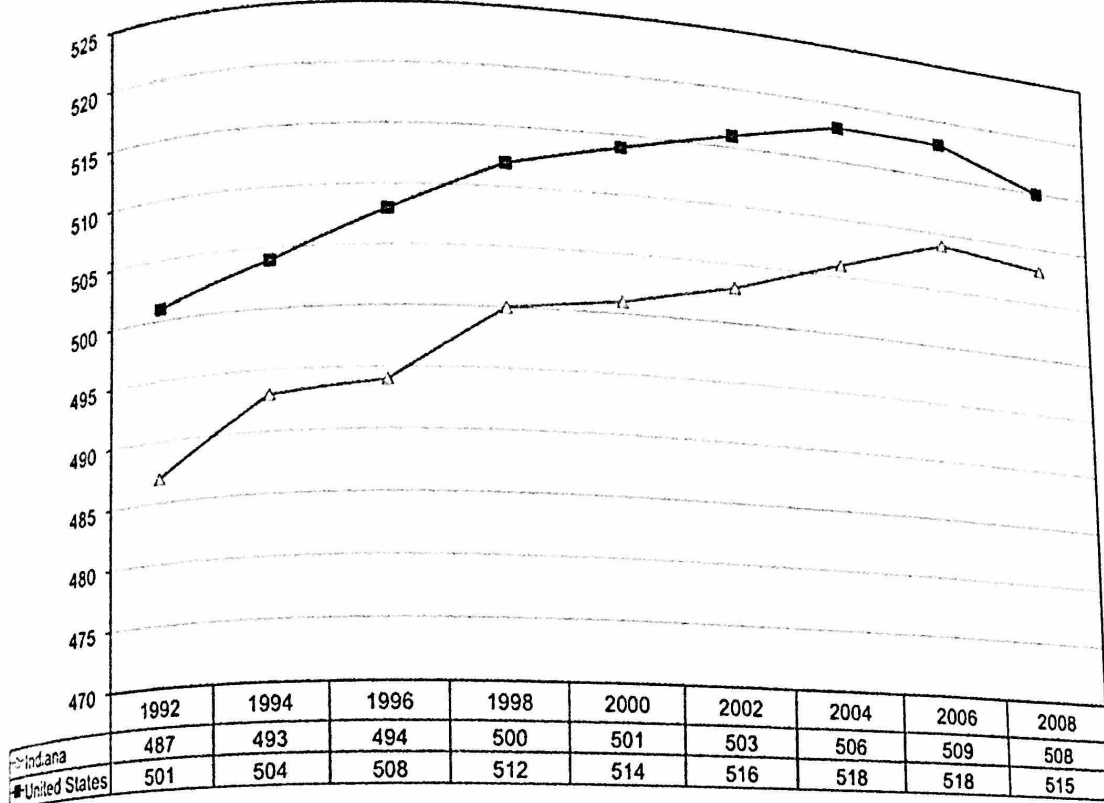


Figure 9.9 Trends in Average Indiana and U.S. SAT Math Scores

Source: Data from The College Board. Authors' imputations.

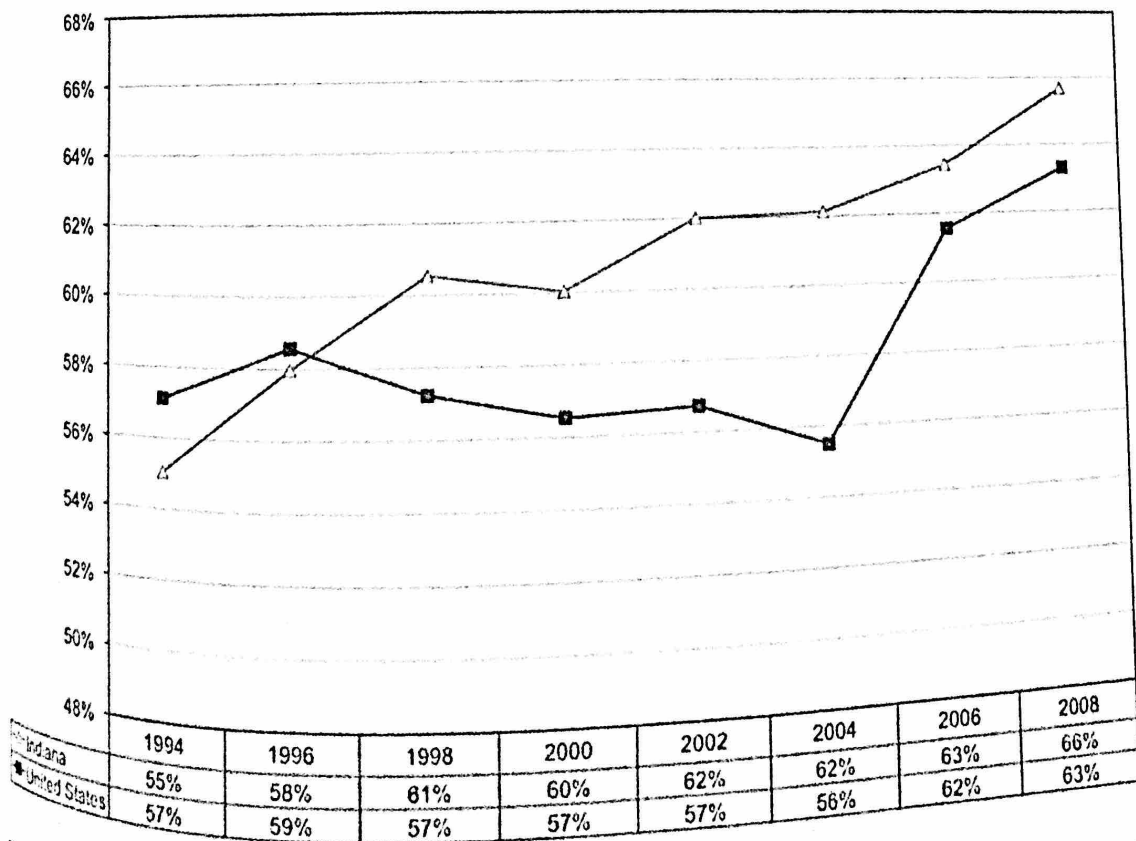


Figure 9.10 Trends in Indiana's College Continuation Rate Compared with the National Average

Source: Data from Postsecondary Education Opportunity. Authors' imputations.

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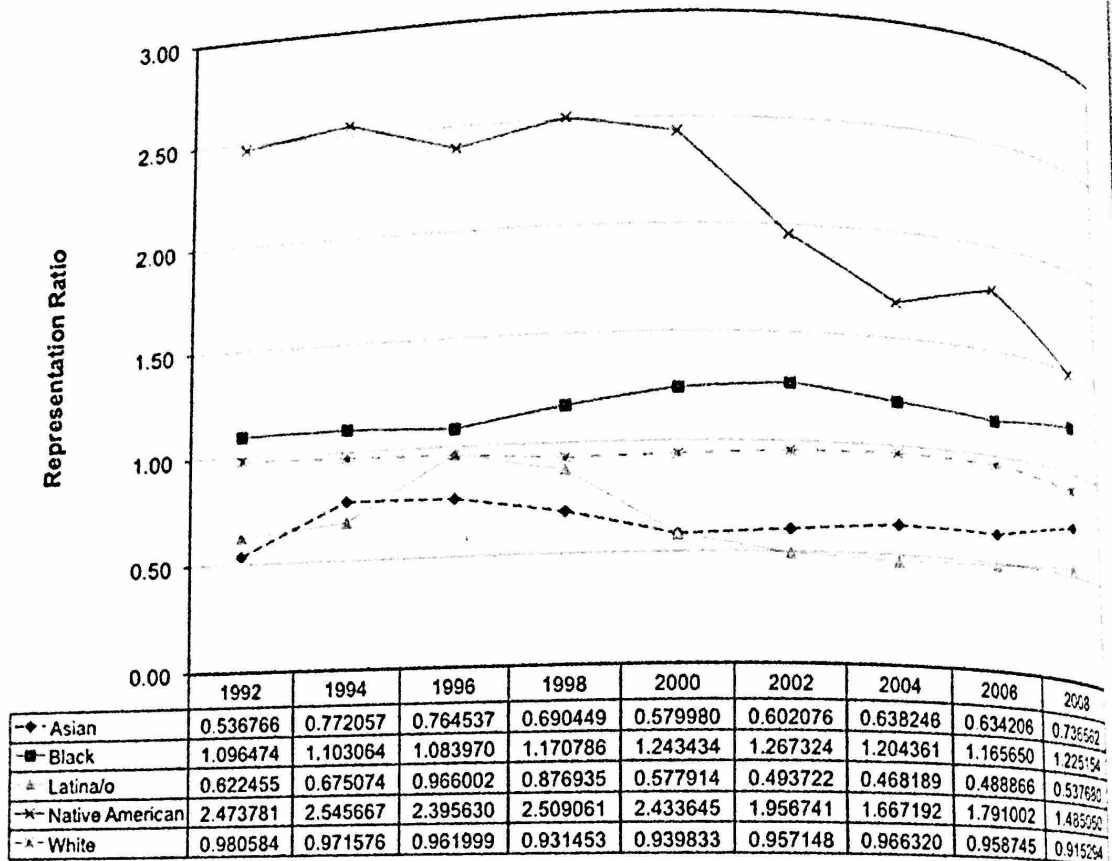


Figure 9.11 Trends in Racial/Ethnic Representation in Indiana Public 2-Year Postsecondary Institutions as a Proportion of the State Population

Source: Data from NCES Integrated Postsecondary Education Data System and U.S. Census Bureau. Authors' imputations.

after 1996, while Native American participation declined after 2000. There was a rise in Latino/a participation in this sector in the late 1990s, but enrollments declined in 2000 and after. There was a slight drop in representation of whites and a rise in representation of Asian Americans, although both groups were underrepresented relative to their share of Indiana's population.

Whites maintained proportional representation in Indiana's public colleges and universities throughout the period (hovering around 0.99 and 1.0 on the representation ratio), while there was a slight rise in African American representation (Figure 9.12). During this period, the regional campuses of Indiana and Purdue Universities were much more engaged in developing programming for low-income and minority students than were the flagship campuses in spite of efforts to encourage partnerships with urban high schools during the period (St. John & Musoba, 2010). The financial yield of students who could pay a substantial portion of tuition cost was a major consideration for Indiana University at the time (Hossler, 2004, 2006), but arguments that the 21st Century Scholars brought substantial tuition subsidies had little impact on enrollment-management strategies.⁶ Consistent with statewide trends, there was also a drop in participation among Latinos/as in Indiana's population.

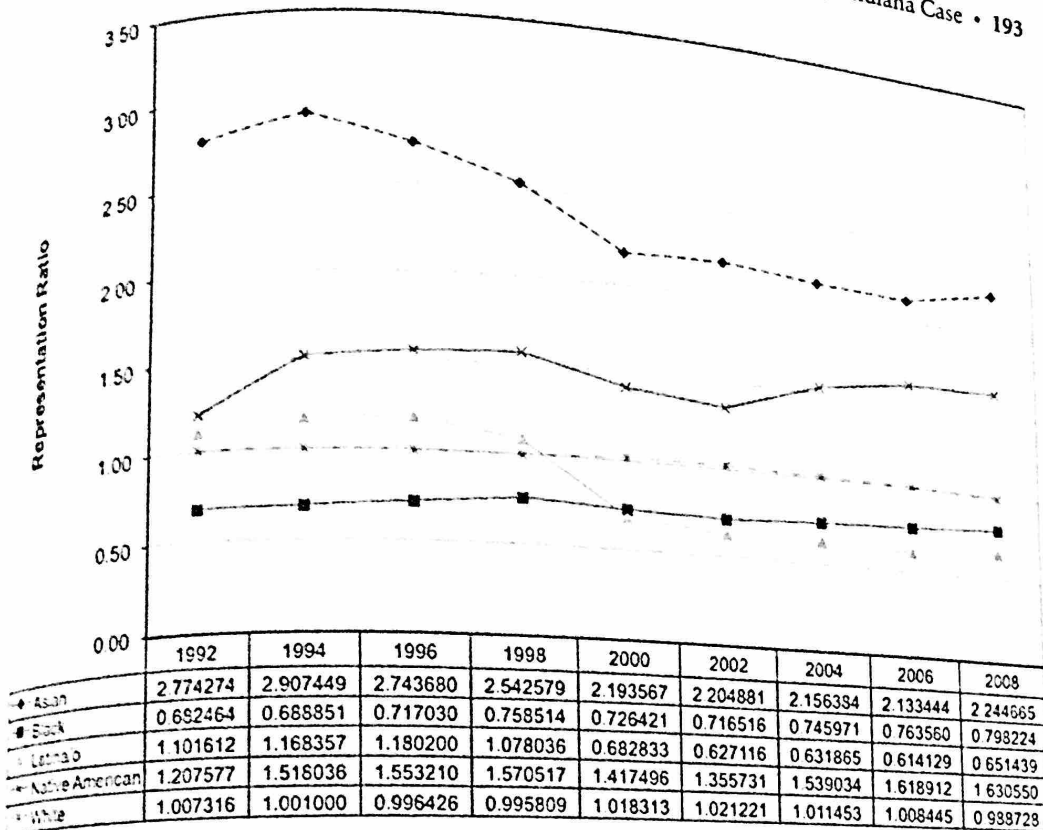


Figure 9.12 Trends in Racial/Ethnic Representation in Indiana Public 4-Year Postsecondary Institutions as a Proportion of the State Population

Source: Data from NCES Integrated Postsecondary Education Data System and U.S. Census Bureau. Authors' imputations.

Degree Completion in Indiana Higher Education

Degree completion rates can be influenced by many factors, including individual background, academic programs and college life, support services on campuses, and public policy. Other than sustaining a commitment to financially support institutions and students, a practice that creates stability in students' perceived ability to be able to pay the costs of college, the impact of state policies is often modest and indirect. Individual campuses can design and test interventions that seek to improve retention rates and/or reduce inequalities in those rates, but research on systematic interventions remains scant (Hossler, Ziskin, & Gross, 2009; Patton et al., 2006). In theory, the academic preparation standards of states have an indirect effect, depending on other factors influencing the quality of preparation in high schools. It has also been hypothesized that technical assistance and research support for campuses can also have an impact through support of innovation on campus, but research to date regarding these interventions has only considered specific cases and has not looked at reform in relation to trends (e.g., Hossler, Gross, & Ziskin, 2009; St. John & Musoba, 2010).

Public 2-Year Colleges

The six-year completion rates for all groups were extremely low in the public 2-year college sector. The completion rates for whites dropped between 2003 and 2008, from 17%

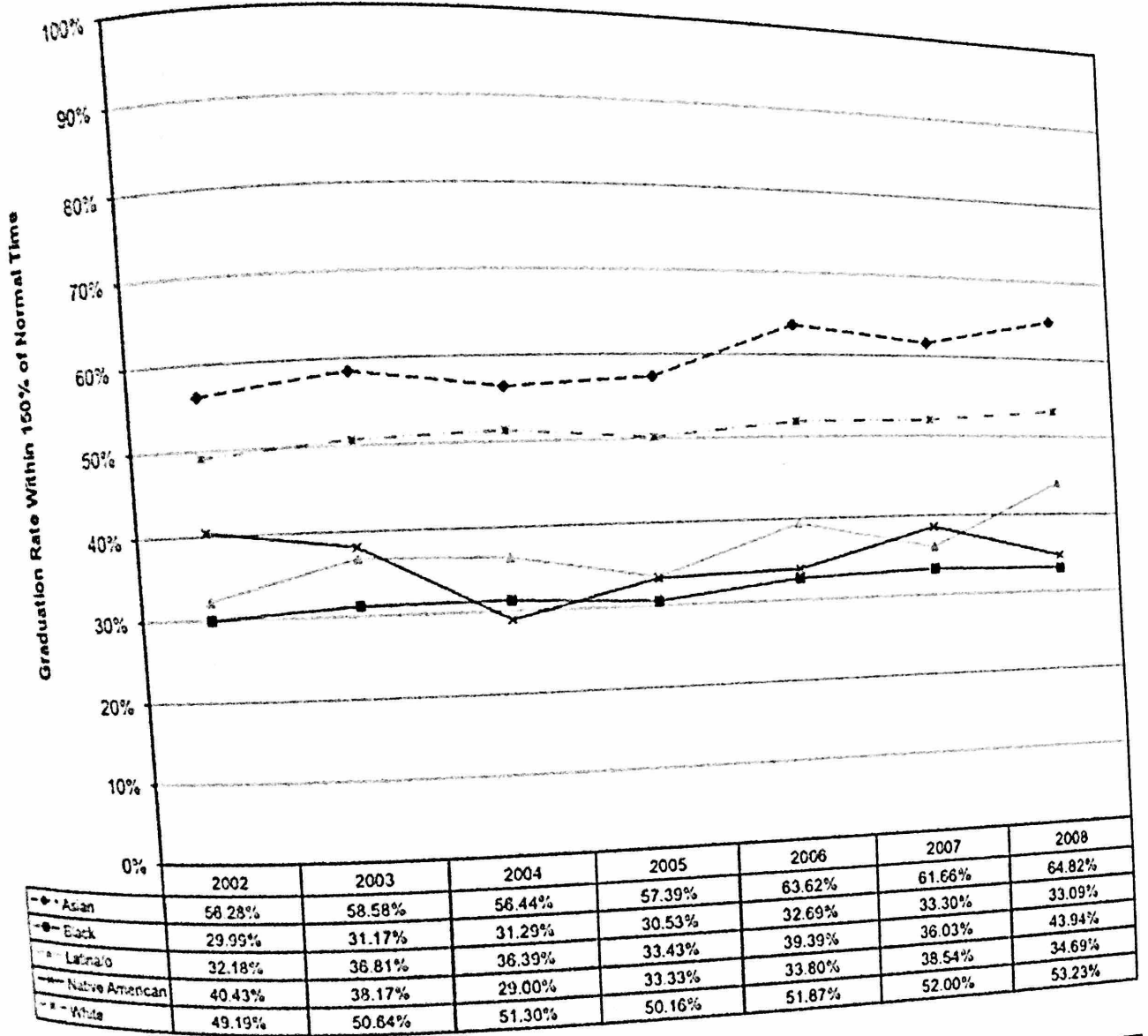


Figure 9.14 Trends in Graduation Rates in Indiana Public 4-Year Postsecondary Institutions by Racial/Ethnic Group
 Source: Data from NCES Integrated Postsecondary Education Data System. Authors' imputations.

to 50.7%, and a three percentage point gain for Latinos/as, to 71.8%. There was also expansion in enrollment rates for African Americans in independent colleges, so these gains in completion rates contributed to the narrowing of the retention gaps in Indiana. Innovations at independent colleges appear to have contributed to the reduction in the gap. The IPAS reform at Indiana Wesleyan University provides one illustration of the sorts of strategies that may have contributed to reduction in the degree attainment gap (St. John & Musoba, 2010). The core campus had a well-documented pilot test of an engaged-leadership strategy for undergraduate education (Pattengale, 2008; Reynolds, Gross, Millard, & Pattengale, 2010) that was taken to scale within the multi-campus system and resulted in elimination of the gap in retention rates for African Americans compared to whites (Carey, 2008). Clearly, more research is needed on interventions that focus on improving retention rates and reducing gaps in completion so that successful intervention methods can be disseminated.

the state. The state utilized a balanced framework for identifying and addressing the challenges students faced when engaging in the college choice process; for more than two decades, the state initiated substantial changes that addressed both access and persistence barriers. The 21st Century Scholars program was the signature initiative designed both to eliminate costs as a barrier for low-income families and to engage students earlier in the choice process. The Core 40 diploma was established to raise the academic threshold for preparation, which it was hoped would lead to successful completion of a college education. While this is an important feature of the Indiana case, part of the story is still to be written. As of 2011, all students are required to complete the Core 40 unless their parents opt them out. Access to postsecondary education has improved dramatically in Indiana since the inception of the 21st Century Scholars and Core 40, but there is one subset of the student population that has not found higher education to be accessible—Latino/a students. In 2011, the state passed an anti-DREAM Act bill, precluding undocumented students from being granted in-state tuition. Public higher education is experiencing substantial financial cuts, and only some of this money is being returned to institutions through performance funding. For 2001–2013, 5% of funds were set aside for performance funding for improvement in degree completion, credit-hour production, and research productivity (Harnisch, 2011).

From a funding perspective, Indiana fared well relative to other states in the 1990s and early 2000s. While the state contribution to higher education declined in 2009, the loss was offset by federal stimulus dollars (Palmer, 2011). Higher education felt modest effects of declining state support in 2010 but faced a slightly more substantial reduction in 2011, when the federal stimulus dollars were no longer available. The total 2-year reduction is approximately 2.5% of the base, which, even after adjusting for inflation, is a cut of less than 8%. Since 2006, tuition and fees have risen by approximately 17%, which is less a concern in Indiana, where need-based aid has been indexed to the cost of tuition. Finally, in 2011, the state took a portion of the cuts to postsecondary education and made an additional 5% of state appropriations available as an incentive for improved outcomes. All three of these policies had the potential to impact opportunity for students, but the effects are not yet clear.

P-16 Curriculum Alignment Class of 2011

Beginning in 2011, the Core 40 curriculum became the minimum requirement for admission into the public 4-year college sector. From a system-alignment perspective, this policy could simplify the signals sent to students and parents and make it clearer what is expected to be successful in college. It does, however, suggest that students who opt out of the Core 40 are forced to follow a more circuitous path into baccalaureate education, if they so choose, through the Ivy Tech system or the regional university campuses.

DREAM Act

College access has been at the forefront of the Indiana strategy for postsecondary access and success. However, 2011 legislation signed by Governor Mitch Daniels suggested that access may remain a contentious issue when considering undocumented students. The legislature explicitly prohibited undocumented students from qualifying for in-state tuition (Martin, 2011). The barriers to access for undocumented students are substantial, and the tuition rate is just one of many such barriers. In most states that allow in-state tuition for state aid programs. Even for

those who can afford to pay the full in-state tuition rate, there is no path to citizenship that will allow them to seek gainful employment once they have earned a college degree.

Performance Funding

Performance funding is a commonly attempted strategy for tying state funding to post-secondary outcomes, but it is not frequently thought of relative to college access. In theory, this policy may impact access in two ways. First, to the extent that performance funding affects the cost of providing public higher education, low-income students may be affected. In the case of Indiana, performance funding is being implemented at a time when cuts to higher education have been substantial. The most recent cut reallocates 5% of state appropriations to provide incentives for improving graduation rates and time to degree (Wray, 2011). In this case, performance is directly tied to cuts in base appropriations, which have a negative effect on institutions and may affect tuition rates. Second, the effect of the performance funding model depends on how the program is structured. In Indiana, the metrics are based on improvement in key outcomes, which will favor, on average, institutions with the greatest room for improvement. In this case, the main campuses for Indiana and Purdue Universities are likely to fare less well because they are already the top-performing public institutions in the state. The complicating factor, however, for any of the public-sector institutions, is that it can be difficult to improve upon outcomes when state support declines.

CONCLUSIONS

Indiana's higher education system has made substantial gains in access in recent decades and more-modest improvements in retention, especially in private nonprofit colleges. But Indiana could also be a state perched on the edge of decline. As the California case illustrates, declines in education outcomes follow cuts in state investment. Indiana has cut funding for higher education institutions and students. It could be difficult for the colleges and universities to improve equity and retention even with "performance funding" when total support declines. The heralded Indiana system had an embedded set of progressive incentives in the older K-16 finance system that encouraged improvement in preparation and access, along with a private nonprofit sector that was highly responsive to funding incentives. In the near future, Indiana is likely to become a testing ground for judging the impact of reduced funding coupled with explicit "performance" incentives. Questions about the Indiana case are presented in Text Box 9.1.

Text Box 9.1 Questions about the Indiana Case

1. How do Indiana's strategies for improving preparation and access compare with those of the other states studied?
2. How did Indiana achieve coordination of public finance and college preparation strategies?
3. What is the proper role of universities in the higher education policymaking process? Can they provide impartial and unbiased research on questions of policy import when they are self-interested institutions?