

MEMORANDUM

To: Members, Higher Education Advisory Committee

From: Denny Heck

Re: Tuition Discussion

At our last meeting, I thought we made tremendous progress on the subject of “high demand” fields and what our recommendations might be. There was substantial consensus on a number of points that reflected a healthy balance between the general and the specific. Furthermore, I believe our main points – taken together – constitute a comprehensive, cohesive strategic approach to the problem.

Conversely, however, we struggled (OK, I’m engaging in understatement) on the issue of tuition policy. We did not give the consultant team any real sense of the advisory committee’s direction. That leaves us with the choice of either simply waiting for the consultant’s report and hoping we can make progress at that time OR trying again at our next meeting. I’ve opted for the latter not because I think we will necessarily get the job done right now but because I am convinced that further discussion is necessary as a prerequisite to eventual progress. Accordingly, I’ve put together a list of ideas/principles I am offering for our consideration and they will appear on our agenda next week. They are meant to serve as a starting point only and nothing more. If you have different suggestions, by all means, bring them!

Discussion Points

- Tuition is integrally related to an overall funding scheme that also includes financial aid and state subsidy as part of a shared responsibility for funding higher education in our state. Therefore, absent an understanding of the total approach to funding, any discussion of tuition is necessarily quite limited. However . . .
- Past practices of enabling tuition increases, the proceeds of which are at least partially supplanted by legislative appropriation should not be a feature of our approach to tuition.
- In overall terms, tuition increases exceeding inflation growth, such as we have experienced in the last several years, cannot be sustained indefinitely without harming students, our colleges and universities and efforts in economic development.
- We have a tradition of being a high financial aid state and should continue to be so. Cost of attendance should not be prohibitive.

- Tuition levels should be predictable for families, students and institutions.
- Realistically, tuition revenue is a necessary and important ingredient in our efforts to fund higher education.
- We have a tradition of differentiated tuition that in some fashion should continue. We should recognize that our institutions have differential missions.
- Scholarship and loan forgiveness programs have been and can continue to be an effective tool in strategic areas. There may be important opportunities for additional scholarships in high demand fields where the private sector could provide matching funds.
- There are parts of our society -- such as students from low-income households, non-English speaking students, and students of color – whose increased participation in postsecondary education is increasingly important to everyone. Tuition policy needs to be part of an integrated P-20 effort.
- Some bold new programs such as the Indiana Scholarship program or Opportunity Grants (used here for example purposes only!) have merit.
- Any new program needs to be easy to explain and transparent.