

## **MINUTES**

### **INDIANA UNIVERSITY BOARD OF TRUSTEES SPECIAL MEETING – TUITION FORUM**

#### **VIRTUAL MEETING VIA ELECTRONIC MEANS**

**JUNE 2, 2021  
1:00 p.m. – 2:00 p.m.**

Trustees Present Electronically: MaryEllen K. Bishop, W. Quinn Buckner, Molly C. Connor, Harry L. Gonso, Michael J. Mirro, James T. Morris, Patrick A. Shoulders, Donna B. Spears, Melanie S. Walker

University Representatives Present Electronically: Michael A. McRobbie, Debbie Lemon, John Sejdinaj

#### **I. Call to Order**

Chairman Michael Mirro called the special meeting on tuition and fees to order at 1:00 p.m. He asked President Michael McRobbie to share remarks.

#### **II. President's Report**

"Thank you, Mr. Chairman.

I will begin by introducing our tuition recommendations for the next biennium, then Vice President Sejdinaj will present them in more detail.

The ultimate aim of Indiana University's teaching and learning mission is to ensure the success of its students. Toward this end, we must ensure that an IU education is not only excellent, but also accessible and affordable to every citizen in the state, no matter where they come from, no matter what their background, and no matter who they are. IU has done this with great success in recent years, and the recommendations we present this afternoon will help enable us to continue to do so.

More than ever before, earning a college degree is a necessity in today's global economy, and IU continues to be the major college destination of choice for Hoosier students. IU educates more Indiana residents, by far, than any other college or university in the state. More than 308,000 IU degrees have been awarded over the 14 years I have served as president, with more than 212,000 of these being earned by Indiana residents.

These graduates reflect the degree to which IU provides the educational foundation for much of the state's workforce and for many of its professional leaders. More than 375,000 IU alumni live in the state, where they make vitally important contributions to Hoosier communities and to the state's local and regional economies.

IU is also graduating record numbers of students. During the current academic year, IU has granted a record of more than 24,200 degrees, surpassing the previous record of just under 24,000 in 2018-19.

In addition, more IU students are graduating within four years. IU Bloomington leads all public four-year residential campuses in the state in on-time graduation rates.

In recent years, we have kept an IU education affordable with tuition increases at historically low levels. At IU Bloomington, the average annual tuition increase over the last three budget biennia has been only 1.3 percent. And it is important to stress that this was below the average rate of inflation during that period. Net in-state tuition at IU Bloomington is the second lowest in the Big 10. IUPUI and the regional campuses also remain highly affordable compared to their peers. The implementation of banded, or flat-rate, tuition has enabled students to take all of the credits they need for on-time graduation at the same, predictable cost, contributing to increases in four-year graduation rates and student loan debt reduction.

Most IU students do not pay full tuition. Sixty-six percent of IU students—two thirds—received gift aid in 2019-20 from federal, state, institutional, or private sources, up from 62 percent six years prior.

Since 2007, IU gift aid for resident undergraduate students has increased by a remarkable 175 percent, serving as further proof of IU's commitment to ensuring that an IU education remains accessible to Hoosier students from low-income backgrounds.

IU has also pioneered path-breaking award-winning student financial literacy programs. These have become national models and, in conjunction with our focus on administering financial aid, have resulted in major savings to students. Since the founding in 2011 of IU's Office of Financial Wellness and Education, student loan borrowing at IU has decreased by \$140.6 million, or 21.6 percent.

IU continues to take measures to reduce costs, to become more efficient, and to ensure that we are using our state funds and tuition revenues as wisely as possible. Across the entire university, we have reduced expenditures and implemented reforms aimed at cost containment and avoidance. Over the last three biennia, over \$100 million in expense reductions have been identified—and during the pandemic over another \$100 million as well, as Vice President Sejdinaj will describe in his remarks.

IU has also redoubled its efforts to ensure that students succeed in their academic pursuits and to ensure that the degrees they earn lead to rewarding and satisfying careers.

IU provides extensive services in all aspects of student life on all campuses. We have recently implemented improved academic and career advising programs, accessible information systems, and career connection programs. These programs and systems—and other tools—help IU to increase graduation rates and to reduce the time to degree completion.

Through IU Online, established in 2012, the university has firmly cemented itself as the state's powerhouse for undergraduate and graduate online education. IU Online now offers over 180 online programs for both degree-seeking and non-degree-seeking students.

In constructing IU's budget and in setting tuition, our main goal has always been finding the best way to balance the financial needs of students and their families against the need to both maintain the university's infrastructure and to ensure the affordability and accessibility that is expected of the state's flagship university. This will always be our goal.

As we have consistently done in the past, in the process of developing our budget for the coming biennium, we considered every option that would allow us to make tuition recommendations that will ensure that IU will continue to be an affordable, world-class institution.

For each of the next two academic years, we are recommending a proposed tuition and fee increase of 1 percent for students on the IU Bloomington and IUPUI campuses and 1.45 percent on all of IU's regional campuses.

As you will hear in more detail from Vice President Sejdinaj in a moment, these recommended increases are the lowest tuition and fee increases at IU in more than 40 years.

Even with this modest increase, IU's tuition rates would remain below the national average for four-year public institutions.

This recommendation for a modest tuition and fee increase reinforces IU's steadfast commitment to student affordability while allowing us at the same time to advance a positive agenda for IU's future that is consistent with the needs of the state.

All of us at Indiana University very much appreciate the strong support we received from the General Assembly, Governor Holcomb, and the Commission for Higher Education in the 2021 legislative session.

And, as always, we are also grateful for the ongoing support of alumni and friends of IU, whose extraordinary generosity has made possible much of the additional financial aid we have been able to give to our students over the past several years.

I also want to commend the members of IU's staff who have worked diligently and unceasingly to find and implement operational efficiencies that have allowed us to continue to control our costs.

Indiana University remains committed to working closely with these and other partners to preserve and strengthen high-quality higher education as an asset that can efficiently serve our state and its students for many decades and centuries to come.

Now let me turn the screen over to IU Vice President and Chief Financial Officer John Sejdinaj to say a few additional words about our tuition recommendations."

### **III. Presentation of recommendations for tuition and fee rates for FY 2021-2022 and 2022-2023**

Vice President and Chief Financial Officer John Sejdinaj presented the following remarks.

"Thank you President McRobbie.

Today's presentation will introduce the tuition increases that we recommend for **undergraduate students from the State of Indiana**. In the presentation we will also provide information on the value of an IU degree, how the university is working to keep an IU education relevant and affordable, which includes how we work to control costs while still investing in new programs that provide students the education required to enter the job market and support the State and the nation.

The largest revenue stream for the University comes from tuition and fees. To achieve its mission IU must appropriately balance increasing tuition revenues while maintaining affordability for students from all regions and backgrounds. The chart on this page

highlights the in-state tuition and mandatory fees that the University believes will provide the resources required to best serve its students and the state of Indiana. For the next biennium, the recommended annual tuition increase in tuition and mandatory fees is 1.0% per annum for IU Bloomington and IUPUI in Indianapolis, and 1.45% on all of IU's Regional Campuses. These are the lowest increases as we look back as far as 1980 for IUPUI and the Regional Campuses (except South Bend prior to aligning Regional Tuition Rates), and the second lowest increases for IU Bloomington in this period. For fiscal year 2020 this results in a \$99 increase at IUPUI and a \$112 increase at IU Bloomington and Indiana University's Regional Campuses.

These increases are all within the parameters established by the Indiana Commission for Higher Education.

To help Hoosier families from various backgrounds and locations across the State, IU offers a range of highly competitive options for residential, online, and blended paths to an IU degree. The Indiana University Campuses (which appear in red on this chart) provide a range of pricing options versus other Big Ten schools and in-state peers. As seen in this chart, IU Bloomington's price is well below many Big Ten peers which appear in blue. The IU Regional Campuses, offer a four-year public education at the **lowest** price in the State of Indiana (in-state institutions are represented by the black bars). Across its seven campuses, IU offers an affordable degree path for all Indiana Residents.

In the next portion of this presentation I will cover the value of both a college and more specifically an Indiana University degree.

Data from the Indiana Department of Workforce Development shows that 80% of the most in-demand jobs over the next decade will require some level of college education. That trend will be exacerbated, as many sectors accelerate plans to adopt new automation and artificial intelligence strategies.

Over the last few years, especially during the pandemic, the largest job losses have been seen in leisure and hospitality, wholesale and retail and manufacturing industries – all industries where a college education is required less often.

At IU, we understand that continued investment is required to help Indiana citizens given that:

- The nature of work is changing, and we must ensure our students are prepared for the challenges of the 21<sup>st</sup> century.
- The public health landscape has changed, and we must ensure we are keeping the state at the edge of medical advances.
- The state's economy is changing, and we must ensure we are better meeting the needs of businesses in preparing their future employees.

Our goal is not only to enhance economic outcomes, but also to propel all Hoosiers forward.

Many research studies continue to affirm the same conclusions. A college education and particularly a college degree is of great value to the individual and to society as a whole. It improves an individual's lifetime earnings and reduces the likelihood of unemployment. Recent research comparing individuals with a college degree to those with only a high school diploma show that those with a college degree benefit from one million more in terms of annual and lifetime earnings and have over 50% less likelihood of being unemployed. Citizens with a college degree also volunteer more and vote at higher rates - demonstrating civic engagement. In addition, those with a college degree contribute more in taxes benefitting our communities and society.

While all state institutions will play an important role in educating the Indiana's workforce, this is especially true at IU. As a leader in degree production, Indiana University is a vital

engine strengthening Indiana's economy as 70% of our degree-seeking students are Indiana residents. IU produced over 24,000 degrees in Fiscal 2021, nearly half of all degrees produced in the state. Since 2010, IU's overall degree production has increased nearly 25%.

- IU produces:
  - Nearly half of all bachelor's degrees;
  - Nearly half of all master's degrees; and
  - Over half of all doctoral and professional degrees.

IU is the largest producer of doctors, nurses, teachers, and dozens of other important professions, at a time when many of these fields are seeing labor shortages.

While we are proud of the fact that many students chose IU for their College experience, we are prouder of what we have done to enhance four-year graduation rates. Increasing the four-year graduation rate lowers the overall cost to our students and places them in the workforce sooner to generate personal income while also supporting the State's economy.

IU's four-year graduation rates are the highest ever with the beginning class of 2016 (graduating class of 2020) being at least 15% higher on all IU campuses versus those entering in 2006 (10 years prior).

Not only is IU producing nearly half the state's college-educated workforce, but we are also ensuring that students are prepared to enter the workforce. Over 21,000 students participate in career coaching, resume writing, interview preparation, and other activities related to job preparation. All campuses are also using one job-posting platform, making it easier for employers to post open positions and connect with students across the state. We are ensuring that IU Hoosiers see success after graduation. The career outcome rate, which measures students who accepted employment, pursued a continuing degree, served in the military or a volunteer program, in Fiscal Year 2019 was 93% for students who received an undergraduate degree. Of those students who accepted employment, 83% secured employment in their field of study.

In the next session we will discuss the affordability of an IU degree

It is a priority for both IU and the State to provide sufficient gift aid to make a college degree affordable for Indiana residents. In the past six years, gift aid awarded to undergraduates by the University has grown by \$72 million to now over \$220 million annually. During the same period, gift aid provided by the State to IU resident undergraduates has grown by \$33 million to \$115 million annually. The State provides significant resources to families with incomes below \$62,000 through its 21<sup>st</sup> Century Scholars program. 21<sup>st</sup> Century Scholars are provided gifts or grants by the state to cover Tuition and Fees at Indiana institutions of higher education. IU supports the 21<sup>st</sup> Century Scholars program and has increased the enrollment of 21<sup>st</sup> century scholars over the past 6 years by over 2,200 students to, with total enrollment of 21<sup>st</sup> Century scholars reaching 7,471 in 2020. IU not only enrolls a high number of 21<sup>st</sup> Century Scholars, but it also provides additional support by providing supplemental gift aid to cover costs beyond tuition and fees for these students.

Over the past eight years IU has worked to reduce student debt levels by offering additional aid and by counseling students through our Office of Financial Wellness which helps students learn how to better manage their finances both during and after they attend Indiana University. IU's "MoneySmarts" program has been nationally recognized, for its positive results. The graduating debt of Indiana residents who obtain an Undergraduate degree from IU has declined by 37% or \$122.6M dollars over the past six years. Nearly half of IU undergraduates now leave IU with no debt.

IU's and the State's significant support of higher education is resulting in a lower net cost for students attending Indiana University. As seen in this chart, IU Bloomington remains one of the most affordable institutions for resident undergraduates in the Big Ten.

IU is diligent in continually reviewing and reallocating resource to meet the University's most important strategic priorities.

As the largest degree provider in the State, it is important for IU to continue to enhance current degrees and to offer new programs that meet student and workforce needs.

Over the past 10 years IU's 10 new schools and existing schools have created 589 new degree and certificate programs. This constitutes 44% of all new degree and certificate programs generated by Indiana public institutions. Of these new programs, 182 or 31% are in STEM related fields of study.

Program innovation is happening at all IU campuses:

- IU Bloomington awarded its first Intelligent Systems Engineering undergraduate degree this spring. The Bloomington campus has also seen growth in its new Cybersecurity Risk Management degree, as well as growth in Epidemiology, Game Design, Informatics and Nursing. In addition, the Kelly School of Business is offering new online certificates in Information Technology and Accounting through EdX.
- At IUPUI in Indianapolis, the campus is seeing growth in STEM Programs in Biology, Neurosciences, Mechanical Engineering and Psychology. There is also growth in the Master's program in Human Computer Interactions and the online Master's program in Social Work. IUPUI has also added new programs like the undergraduate degree in Health Data Science.
- IU's Regional campuses are seeing growth in disciplines from Psychology and Biological and Physical Sciences, to Computer Sciences, Health Sciences, Social Work, Fine Arts, graduate studies, Secondary Education, Elementary Education and Nursing. Since 2017, IU's has created more than 33 new joint degrees among its Regional Campuses.

IU continues to reinvent itself at a remarkable pace to meet the needs of our students and Indiana. As the leading institution of higher education in the State, IU will continue to invest to actively respond to the needs of our students and the State.

In order to invest in new programs and student life, IU continuously works to gain efficiencies and reallocate resources to fund strategic priorities. In the six years prior to the pandemic, IU identified \$107M in potential efficiencies that were used to generate resources for current priorities. One mechanism to achieve efficiencies is to centralize administrative functions and offer these services on a shared basis to the various campuses. This includes shared student services (like financial aid, admissions, student records, billing, and collections), to administrative functions like purchasing, legal services, treasury, facilities planning, card services, information technology, human resources and various other support services. By centralizing and sharing services, IU has been able to reduce the number of personnel needed to provide these services at each individual campus. In addition to sharing services across campuses, within campuses, schools are now working to centralize the administrative functions that occur in individual departments to a shared school or division service unit.

More recently the pandemic presented Indiana University with a significant financial challenge. In order to continue operations and provide for both our student and employees, IU met the challenge by implementing budget reductions of \$94 million, implementing a hiring and salary freeze which resulted in \$27M in cost avoidance and delayed numerous capital and renewal and replacement projects to free up \$76 million in committed cash. The resulting savings from these efforts combined with federal stimulus dollars has provided the

resources to acquire personal protective equipment, implement testing and contact tracing protocols, provide quarantine and isolation space, provide vaccines to our constituents and the community, and keep our academic operation running through these unique times. Beyond the financial adjustments were the personal adjustments and sacrifices that so many in the IU community made to persevere through a difficult, yet successful, academic year.

In conclusion, IU is recommending a 1.0% undergraduate resident tuition and fees increase in each of the next two years for the Bloomington and IUPUI campuses, and a 1.45% increase for IU's Regional Campuses. Looking back at historical records, these the lowest increases at IUPUI and IU's Regionals (except for South Bend) going back to the 1980 and the second lowest increase during this period for IU Bloomington. In addition, with the proposed increases for fiscal 2022 and 2023, this will also result in the 10-year period with the lowest average increase since 1980. The University has worked diligently to control expenses, moderate tuition increases, reducing debt levels and to ensure students graduate on-time with a degree that will help them enter the workforce and live a meaningful and fulfilling life.

We are grateful for the ongoing support of the state's namesake institution through the Indiana General Assembly, and the passions of our students, parents, and alumni. We believe today's recommendation will continue to ensure the vitality of IU for years to come. I am now happy to take questions."

Chairman requested the Secretary of the Board read comments and questions from the public. There were eight comments sent to the dedication tuition forum email address. The questions related to tuition charged to out-of-state veterans, graduate student increases, increases to undergraduate out-of-state tuition, and a request from the Bloomington Undergraduate Student Government to freeze tuition and fees.

Chairman Mirro asked for approval of the following action item.

#### **IV. Trustee Action**

1. Action Item: Approval is requested for tuition and fee rates for fiscal years 2021-2022 and 2022-2023.

*Approved by a vote of 8 to 1 with Trustee Connor voting nay.*

#### **V. Next Meeting**

June 10-11, 2021  
Virtual

#### **VI. Adjournment**

**CERTIFIED COPY OF MINUTES  
OF THE TRUSTEES OF INDIANA UNIVERSITY  
INDIANA UNIVERSITY**

I, Deborah A. Lemon, do hereby certify that I am the duly elected, qualified and acting Secretary of The Trustees of Indiana University, and as such have the duty of recording the proceedings of The Trustees of Indiana University and have the custody of the minute book in which such proceedings are recorded.

I further certify that these are the original minutes of a regular meeting of said Trustees, duly called and held on the date indicated, at which a legally constituted quorum was present.

In Witness Whereof, I have hereunto set my hand as Secretary of The Trustees of Indiana University, this \_\_\_\_ day of \_\_\_\_\_ of 20\_\_.

Deborah A. Lemon, Secretary