

Fall
2012

Environmental Scan

Prepared by the Indiana State University SEM
Data Team for the Pathways to Retention and
Student Success SEM Plan: 2013-2017



Preface

Indiana State University launched the *Pathway to Success Strategic Plan* in Fall 2009. The six goals and a partnership initiative embedded in the plan serve as a roadmap to the university's future. In the preface to the plan, President Bradley noted that while the goals will remain fairly constant, the strategies and initiatives will likely evolve over time.

In the Spring of 2012, the University began a process of review of Strategic Plan benchmarks to assess progress and how they might be extended through 2017. In light of declining retention, the University partnered with AACRAO Consulting, an organization that specializes in assisting universities to develop strategic enrollment management (SEM) plans and a campus culture of attention to student retention and achievement. The SEM Data Team was established to support the SEM initiative. Its members include Catherine Tucker and Will Barratt (faculty data consultants), Charlene Shivers (Financial Aid); Christopher Childs (Student Success); Deirdre Mahan (Admissions); Jerome Cline (IR); Tess Avelis (Registrar); Julie Cuffie (IT), and Linda Ferguson (IR and Chair of the Data Team).

The SEM Data Team's charge was to perform the research and analysis that informs and underpins the SEM Plan. Research is divided between internal student enrollment behaviors, such as retention, progression and graduation, and external environmental factors that influence recruitment and retention. This research provides the backdrop to the planning efforts and setting of goals. This document is a result of that work.

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Environmental Scan

Background

Indiana State University (ISU) is a 4-year, public university located in Terre Haute, Indiana. Indiana State was created on December 20, 1865, pursuant to an Indiana statute, and was originally known as the Indiana State Normal School. Its primary mission was to prepare teachers for the common schools of Indiana. Indiana State Normal School awarded its first baccalaureate degrees in 1908; master's degrees were granted in 1928; and the first doctor of philosophy degrees were awarded in 1968.

The Indiana State University Board of Trustees is composed of nine members appointed by the Governor of the State of Indiana. Two of the nine are nominated by Indiana State University Alumni Association, six are at-large positions, and a student representative is appointed from nominations submitted by a Student Government Association search and screen committee.

The University is administered by President Daniel J. Bradley, who reports to the Board of Trustees as the University's chief executive officer. The campus is organized into four broad operations areas: academic affairs; business and finance; enrollment management, marketing, and communications; and student affairs. Each area is headed by a vice president who reports directly to the president.

ISU has six academic divisions, each headed by a dean who reports to the Provost and Vice President for Academic Affairs. The divisions include The College of Arts and Sciences; The Scott College of Business; The Bayh College of Education; The College of Nursing, Health and Human Services; The College of Technology and the College of Graduate and Professional Studies. Already in operation for Fall 2013, the University has added another division to the mix – The University College.

ISU offers associate, baccalaureate, masters, specialist, and doctoral degrees. The University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, <http://www.ncahigherlearningcommission.org>. Academic programs across the colleges are accredited by more than 30 different agencies. In addition, the University holds institutional membership in at least ten major national associations.

ISU is currently classified by the Carnegie Foundation as a Doctoral/Research University. Institutions with this label offer a wide range of baccalaureate programs and are committed to graduate education through both masters and doctoral degrees.

Community engagement is a significant part of life at ISU. This year's Washington Monthly College Guide ranked Indiana State third among 281 national universities when it comes to community service participation by students and the level of university support for service learning. In 2011, students, faculty and staff at Indiana State provided an estimated 1 million hours of community service, with a total value of \$8 million, according to an analysis of the university's economic and cultural impact in Vigo County, Indiana. Indiana State was among the first universities in the nation to be recognized by the Carnegie Foundation for the Advancement of Teaching in a special category of colleges and universities that are committed to both an academic approach to community collaboration and extensive outreach and partnerships. ISU has also made the President's Higher Education Community Service Honor Roll every year since it was launched in 2006.

Mission Statement

Indiana State University combines a tradition of strong undergraduate and graduate education with a focus on community and public service. We integrate teaching, research, and creative activity in an engaging, challenging, and supportive learning environment to prepare productive citizens for Indiana and the world.

Vision Statement

Inspired by a shared commitment to improving our communities, Indiana State University will be known nationally for academic, cultural, and research opportunities designed to ensure the success of its people and their work.

Values Statement

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Integrity

We demonstrate integrity through honesty, civility, and fairness.

Scholarship

We value high standards for learning, teaching, and inquiry.

Transforming

We foster personal growth within an environment in which every individual matters.

Responsibility

We uphold the responsibility of university citizenship.

Education

We provide a well-rounded education that integrates professional preparation and study in the arts and sciences with co-curricular involvement.

Embrace Diversity

We embrace the diversity of individuals, ideas, and expressions.

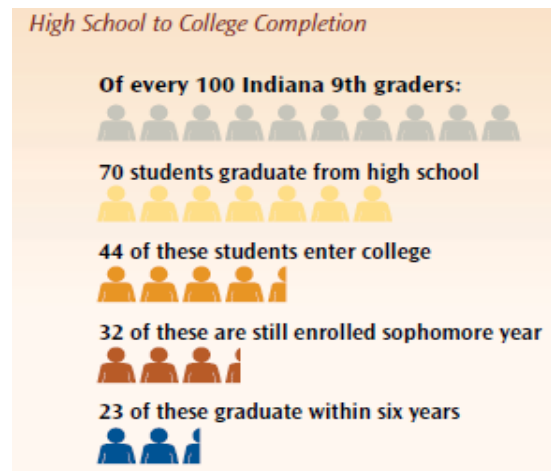
Stewardship

We exercise stewardship of our global community.

State Profile

Indiana's Education Policy

Indiana's state education policy has a significant impact on higher education institutions. The education pipeline depicted to the right is a 2008 glimpse at how Indiana high school students progress through secondary and post-secondary education over time (Source: National Center for Higher Education Management Systems). The chart below shows that, beginning with their enrollment in 9th grade and moving forward to high school graduation, only approximately 70% of these students will graduate from high school. Following high school graduation, approximately 44% of the original ninth grade class will enroll in college. Of those students that enrolled in college, 27% will not persist in higher education through their freshman year. The final row indicates that only 23% of Indiana's ninth grade students will graduate within 6 years of enrolling in college with a Bachelor's degree.



Reaching Higher:

Strategic Initiatives for Higher Education in Indiana

- Moving from college access to degree success
- Preparing K-12 teachers, school leaders and students for college success
- Ensuring that college is affordable
- Focusing the role of the community colleges
- Strengthening Indiana's major research universities
- Embracing accountability

This high school-to-college educational achievement information for Indiana high school students was one of the major factors that drove Indiana towards the development of a state strategic plan for higher education. The resulting plan for post-secondary education, *Reaching Higher* (Source: Indiana Commission of Higher Education

(ICHE), 2008), sought a change in Indiana educational philosophy from providing access to college for high school students, to promoting college degree success for as many students as possible.

The plan is broad in nature and includes K-12 reforms, a college affordability component, better alignment of community college educational services with state employment needs, strengthening the major research universities, and providing accountability. The state wants to see improvement at each level, with the end goal being more college graduates. All of these initiatives are based in improving state economic development and work force development opportunities on the whole. Also

ICHE Strategic Priorities and Policy Directives - 2012



Students and the state are not well served by an empty promise of college access without completion.

- Degree Completion
- Remediation Success
- Student Persistence



A more productive higher education system will increase student success and safeguard college affordability.

- On-Time Completion
- Cost Per Degree
- Student Debt



Increasing college completion and productivity need not come at the expense of academic quality

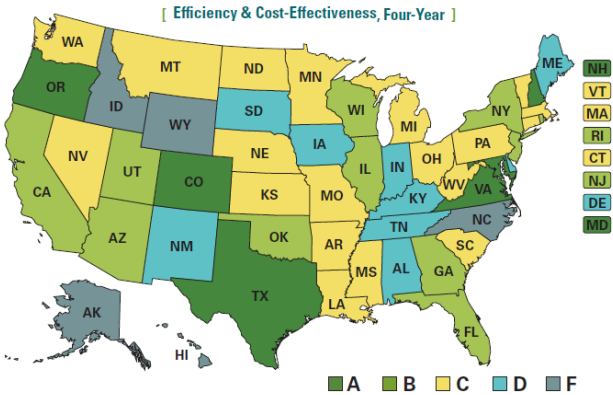
- Learning Outcomes
- Transfer
- Return on Investment

This plan forms the strategic priorities and policy directions that were outlined in the first *Reaching Higher* plan and includes three primary points of focus: Completion, Productivity, and Quality. All of these components are now points of institutional accountability for publicly-funded colleges and universities in Indiana, and include outcome measures that have state financial support implications, via performance-based funding mechanisms for their biennial budgets.

- Factors that influenced these modifications to the original plan include:

- Similar issues exist at the national level. In a recent US Chamber of Commerce report ² that graded states based on metrics of student access and success, Indiana received a “C” grade, on a scale from A – F. (Source: US Chamber of Commerce, 2012) Grades were based on retention and graduation rates across the state, and weighted by the number of students served that were low income. The number of low income students served is a nationally defined issue of significance when considering who at present is most underserved by a postsecondary education.





Indiana did receive an “A” in the area of Policy Environment and is one of four leaders in this area: largely due to their Reaching Higher and performance-based funding initiatives. ICHE and the General Assembly will pay attention to this report card.

The US Chamber of Commerce also graded states on their efficiency and cost – effectiveness. Indiana received a “D” in this area of interest. The issue of cost efficiency has grown in importance as frustration grows concerning the rate of tuition increases which outpace most other goods in this country (including pharmaceuticals and health care).

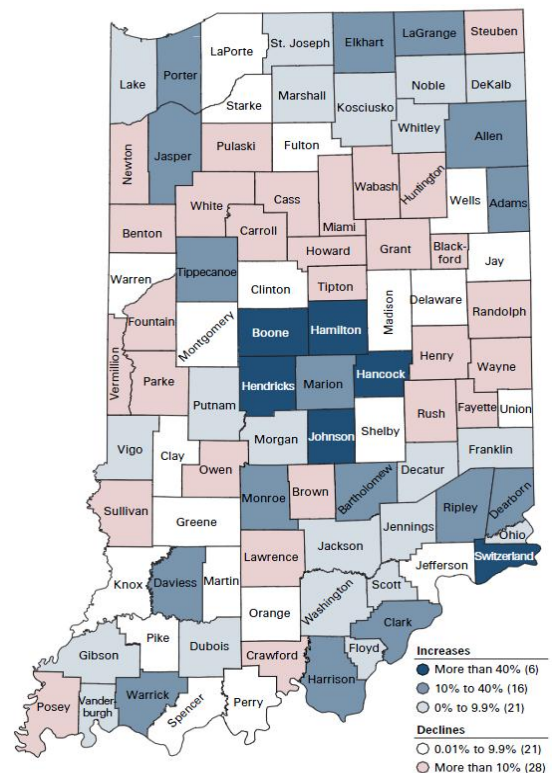


Demographics

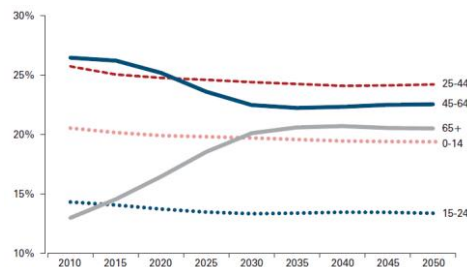
Indiana is made up of 92 counties which supply the vast majority of students to Indiana State University. Over the next 40 years, it is projected that Indiana’s population will increase by 15% overall (Source: Indiana Business Research Center (IBRC)).³ However, over that time period it is also predicted that large swaths of mid-sized and rural communities in the North, East, and West-Central parts of Indiana will lose population. 49 of Indiana’s 92 counties are expected to see a population decline. Currently, Hamilton County is the fastest growing county in the state. Central Indiana’s role will become more dominant - between 2010 and 2030, this region is predicted to account for 62% of the state’s total growth.

As depicted in the chart below, Indiana’s population is getting older. Aging baby boomers are the dominant force behind this condition. Currently, this segment of the population accounts for about 13% of the state’s total population. It is predicted that this segment will continue to grow through 2030, eventually representing over 20% of the state’s total population. Other groups will continue to grow as well. Through 2050, the college-age population segment is predicted to grow by 25,000 and

Projected Population Change 2010 to 2050

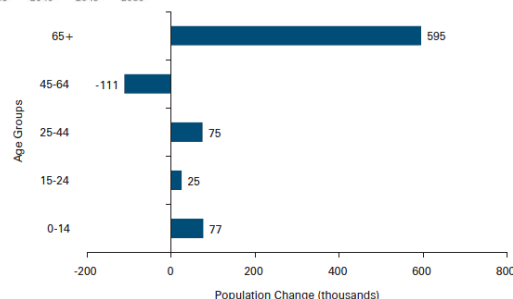


the primary/middle school age group will increase by 77,000. However, the segment of people aged 45-64 years of age is anticipated to decline by 111,000 through the year 2050 (Source: IBRC).⁴



Projected Shared of Total Population by Age Group, 2010 to 2050

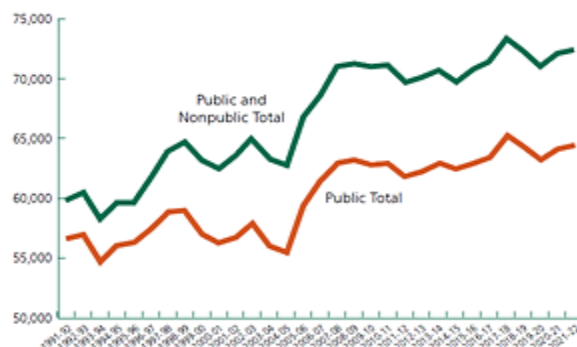
Projected Population Change by Age Group, 2010 to 2050



Indiana High School Graduates

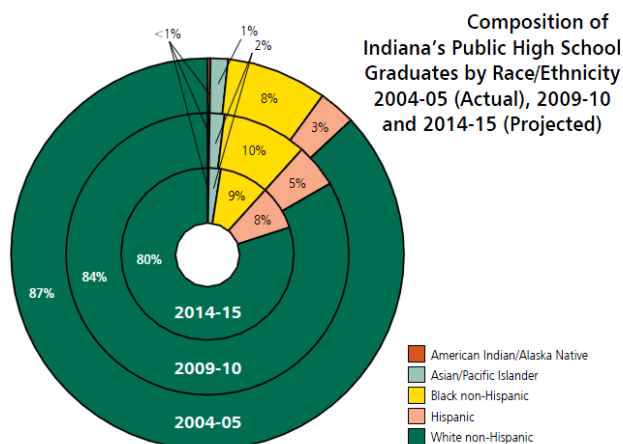
Indiana's demographics have been changing. The number of Hispanics in Indiana has been increasing for years and this population is now noticeably impacting the race/ethnicity makeup of annual total high school graduates in the state. Since 2004, the number of Hispanic high school graduates in Indiana has been increasing steadily. In 2004, this group accounted for 3% of the high school graduates. For the 2014-2015 high school graduating class it is predicted that this group will account for 8% of the total. From 2004 – 2015, a small increase in the number of African American high school graduates will be realized, moving from 8% of the total number of high school graduates in Indiana to 9%. Over this same period of time, white students graduating from high school will represent a decreasing percentage of the total graduates, moving from 87% in 2004 to 80% in 2015.⁵ (Source: WICHE)

Indiana HS Graduates 1991-2021



Indiana State University recruits and admits most of its incoming freshmen class from within the state of Indiana. Population shifts within the state impact recruiting efforts. As the number of local regional

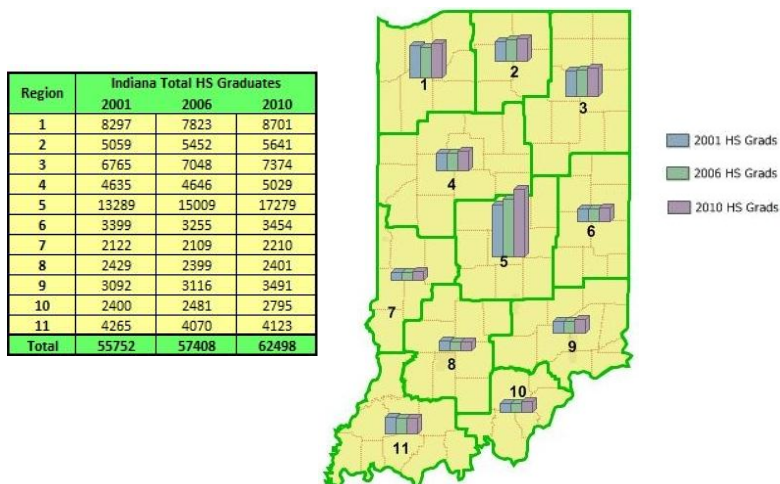
high school graduates decreases, it is necessary to increasingly look to other Indiana regions for potential ISU students.



Depicted on the High School Graduates by Region map, and reflected in the associated chart, below are the numbers of high school graduates by region for the years 2001, 2006, and 2010.⁶ As shown on the map, Region 5, which encompasses Marion County/Indianapolis and its adjacent surrounding counties, has the largest population of high school graduates in the state.

This trend is expected to continue. Given its proximity to Terre Haute, and the fact that our local region (Region 7) has much fewer high school graduates in comparison, Indiana State will recruit heavily from this area in order to attain appropriate enrollment numbers in accordance with the benchmarks set in the university's strategic plan. Region 1 (NW Indiana) also holds large numbers of high school graduates and is sure to be included in the enrollment strategy for the university.

High School Graduates by Region



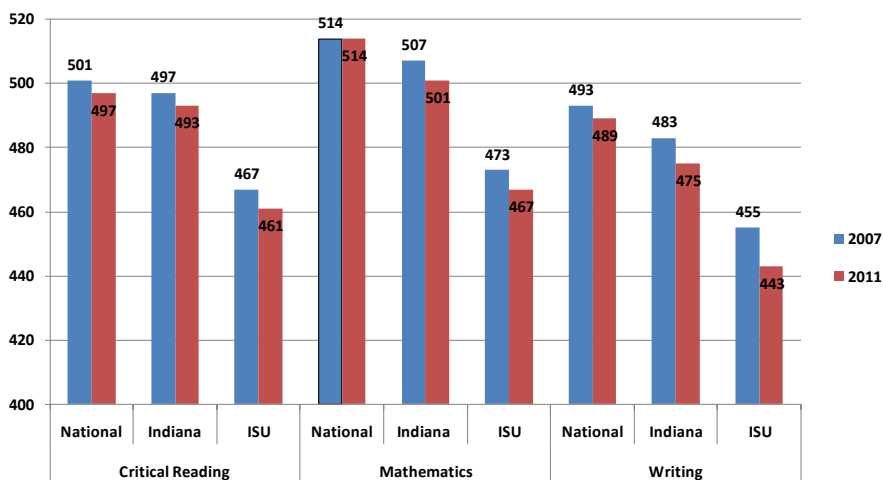
College Preparation

When comparing the average SAT scores for Indiana and Indiana State University, Indiana State tends to run about 30 points below the averages for all Indiana test takers (Source: College Board). Partly this is because we have more students coming from urban school systems that don't generally score as well. Our biggest decline has been in the Writing scores, indicating a need that needs to be addressed.

Statewide there has been an increased emphasis on rigorous test taking for high school students. From 2006 - 2011 the number of Indiana Core 40 and honors diplomas increased over 10% to the point where now 80.9% of students graduate with one of these two diplomas. Over this same period, the number of high school graduates passing Advanced Placement exams increased 6 1/2% to 14%. Also there was an increase in Dual Credit course taking, with over 43,000 students now participating; a five year increase of 317%. (Source: ICHE)

SAT Scores 2007 & 2011

National, Indiana and ISU



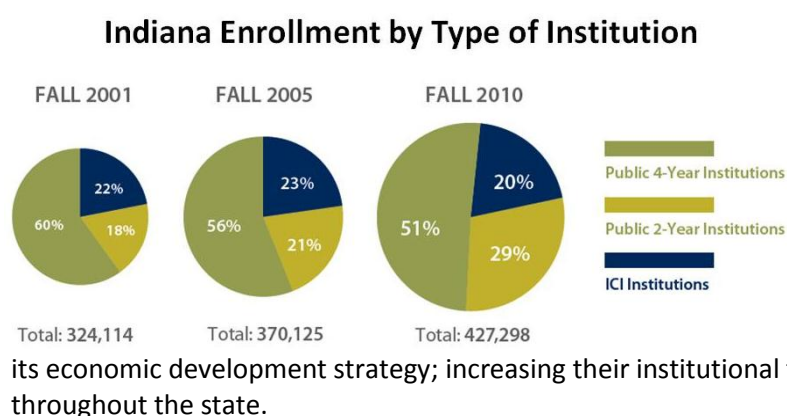
Indiana State accepts college credits earned by high school students through the College Challenge program. In Fall 2011, 214 first-time freshmen had participated and earned college credits through the

College Challenge program; an increase of 66% from the previous Fall 2010 cohort (Source: Institutional Research, official files).

Not all Indiana high school graduates are college ready when they enroll at higher education institutions. Most require remediation classes in order to become college ready and persist to graduation, although this varies by the preparation path taken in high school. In 2011, 66% of Indiana high school students that graduated with a general diploma degree required remediation upon enrolling in college. For the same year, 38% of the Core 40 graduates also required remediation, as well as 7% of those students graduating Core 40 with honors. Only 25% of Indiana college students enrolled in remediation will earn a degree within 6 years. (Source: Complete College America 2011)

Enrollment

Enrollment is the driving force behind the Indiana State University strategic plan. Over time, without an adequate number of students to support operations the institution will cease to advance and the quality of the educational experience provided will diminish. Indiana State University competes with all of the other state funded universities and colleges for a quality student population.



Throughout the last decade there has been an enrollment shift in Indiana from 4 year institutions to 2 year colleges.⁷ Much of this can be attributed to the increased cost of attendance and the shrinking availability of financial aid to middle income families. Additionally, from 2006 forward, the state has been actively promoting Ivy Tech as part of

its economic development strategy; increasing their institutional funding and expanding its influence throughout the state.

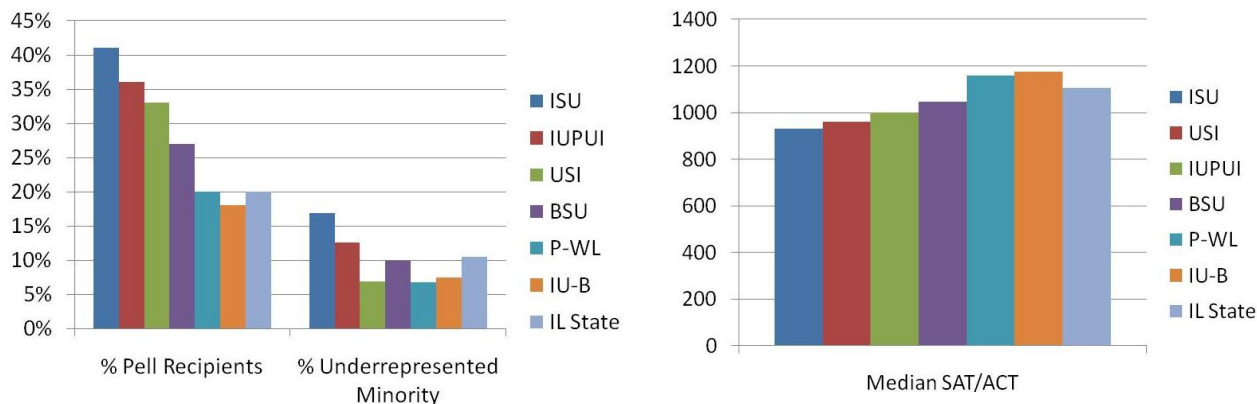
Comparing Indiana State to the other 4-year public institutions in the state shows both how we are similar and how we are different. Indiana University, Purdue, and Ball State are Tier 1 institutions per the US News & World Report college rankings.⁸ Indiana State and IUPUI are categorized as Tier 2 institutions. The University of Southern Indiana is considered a Regional university. Our academic preparedness indicators are similar to the University of Southern Indiana (Source for USI top 10% is their 2010-11

Indiana 4-Year Publics

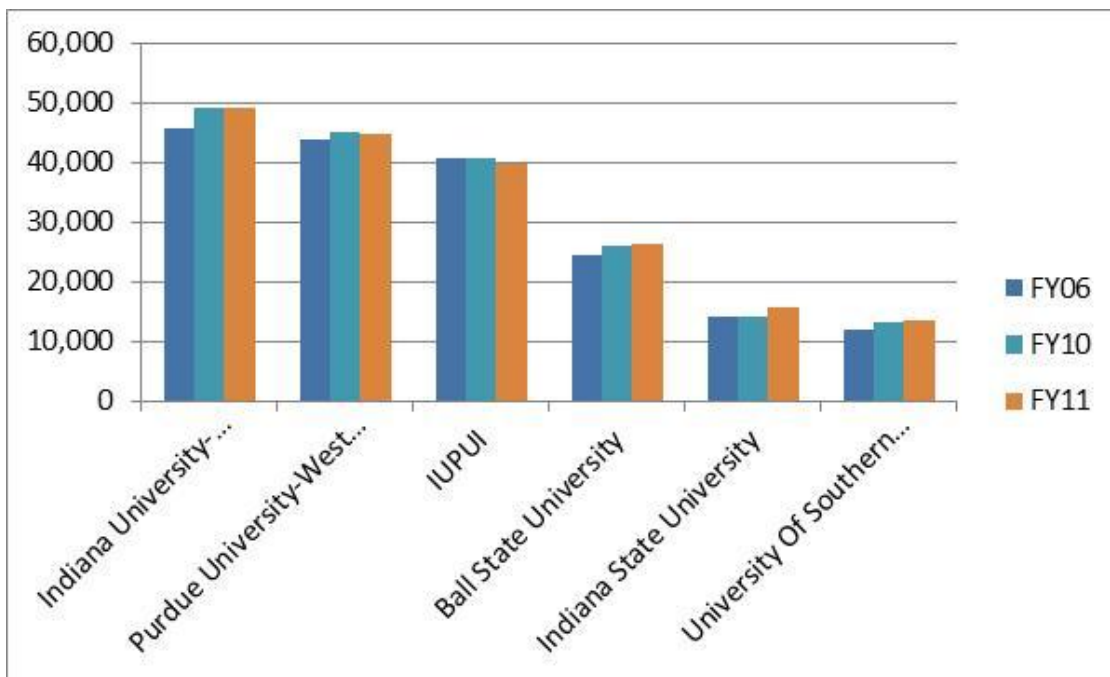
Common Data Set), however our graduation rates and percentage of full-time faculty are similar to the Tier 1 schools.

Institution	Average (last 4) FR retention rate	Actual graduation rate	% of classes with less than 20 students	% of classes with 50 or more students	Percent FTE faculty that are full-time	SAT V+M/ACT 25th-75th percentile	% of freshmen in top 10% of HS class	Average alumni giving rate
IU - B	90%	71%	34%	18%	95%	1060-1280	38%	16%
PU - WL	87%	69%	37%	17%	96%	1040-1290	37%	19%
BSU	78%	57%	34%	12%	92%	970-1160	19%	11%
IUPUI	70%	34%	35%	9%	86%	890-1120	16%	11%
ISU	66%	44%	30%	9%	89%	820-1030	8%	10%
USI	67%	32%	34%	7%	77%	860-1080	10%	4%

Indiana State, vis-à-vis our primary state and regional competitors for students has a unique student mix. As can be seen in the graphs below, we have a notably higher proportion of students from low income backgrounds and we serve a greater proportion of minority students, particularly African American. ISU also serves a disproportionate number of students with lower test scores. In the state and national debates on access and success in higher education, much attention has focused on how institutions can most effectively serve these populations.



Annualized enrollment for Indiana State University increased significantly from Fiscal Year 2010 to Fiscal Year 2011. ISU showed the largest enrollment gain with a 9.4% increase for that period, in comparison to all other Indiana 4-year public institutions. For the 5-year period of Fiscal Year 2006 to Fiscal Year 2011, the University of Southern Indiana showed the largest increase in enrollment percentage at 13.2%.⁹ (Source: ICHE)



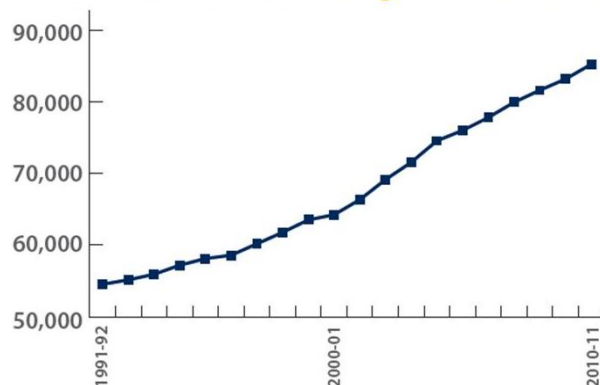
While we traditionally look at 4-year colleges and universities for institutional comparisons, community colleges certainly have an impact on student enrollment numbers in Indiana. A look at the state funded two year institutions shows that their enrollment has increased over the last 5 years. At the head of the pack are Ivy Tech and Vincennes University, both with 5 year enrollment changes in excess of 40% growth over that period of time. Leading the way, Ivy Tech grew by 2/3 (66.7%). The regional campuses of Indiana University and Purdue University have also experienced significant growth.

Annualized Enrollment

	FY06	FY07	FY08	FY09	FY10	FY11	1-Yr Change	5-Yr Change
ITCC Total	104,808	111,205	120,447	135,699	166,555	174,762	4.9%	66.7%
VU Total	16,235	16,333	17,110	20,429	23,111	23,035	-0.3%	41.9%

	FY06	FY07	FY08	FY09	FY10	FY11	1-Yr Change	5-Yr Change
IU – E	3,369	3,253	3,260	3,552	4,110	4,641	12.9%	37.8%
IU – K	4,131	3,922	3,848	3,695	4,119	4,225	2.6%	2.3%
IU – NW	6,890	6,871	6,576	6,669	7,475	7,947	6.3%	15.3%
IU – SB	10,263	10,086	10,069	10,391	11,194	11,012	-1.6%	7.3%
IU – SE	8,338	8,416	8,378	8,796	9,112	9,387	3.0%	12.6%
IUPU – FW	14,839	14,799	15,057	15,945	17,240	17,203	-0.2%	15.9%
PU – C	11,955	11,920	12,148	11,712	12,510	12,375	-1.1%	3.5%
PU – NC	4,480	4,662	4,797	5,117	5,712	6,012	5.3%	34.2%

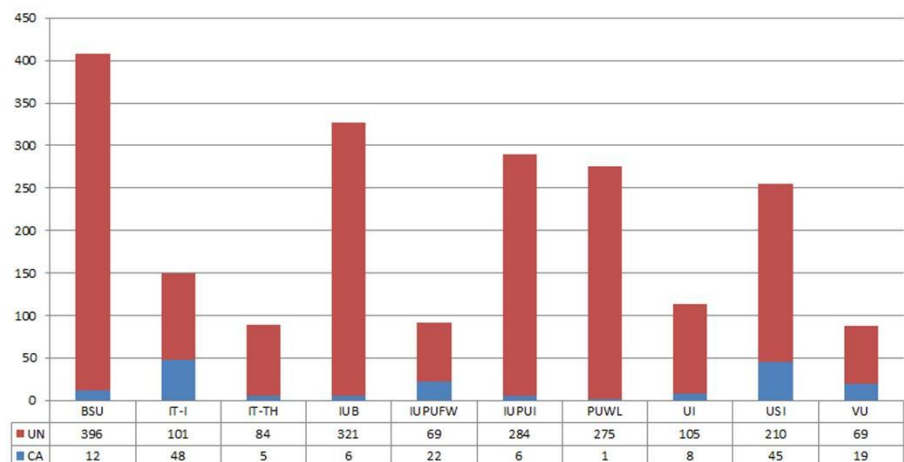
Total Enrollment at ICI Colleges & Universities



Enrollment has also been growing at the independent colleges and universities in Indiana, with just under 90,000 students enrolled in these institutions in 2010-11.¹⁰

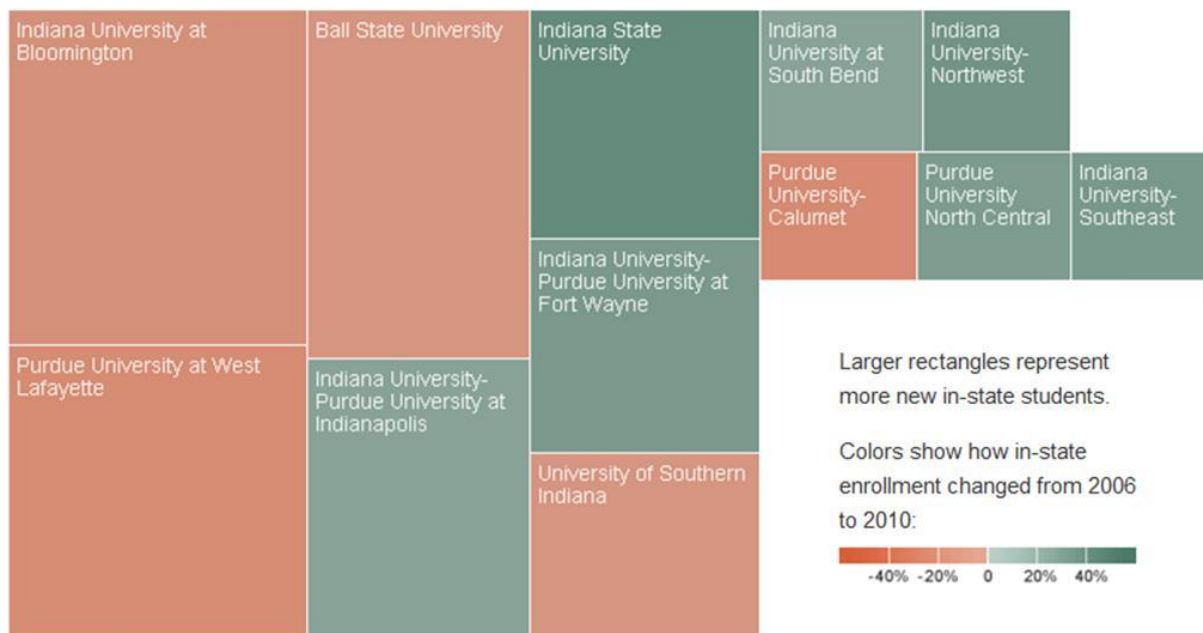
Data from the National Student Clearinghouse allows us to identify our top competitors.¹¹ Of the Fall 2010 ISU admits who chose to enroll elsewhere, Ball State University enrolled the largest number of our unconditionally admitted students with 11.5% of the total, followed by Ivy Tech (all campuses) at 9.5%, IU Bloomington at 9.3%, IUPUI at 8.2%, and Purdue at 8%. For conditionally admitted students to Indiana State that enrolled elsewhere, Ivy Tech and the University of Southern Indiana enrolled the majority of those students.

Conditional & Unconditional Admits



Compared to the other publicly funded colleges and universities in Indiana, Indiana State University has shown the largest growth in new in-state students from 2006-2010. This trend is important, as successful retention and persistence through graduation for Hoosier students will help meet the state goal for more Hoosier college degrees while meeting the criteria for performance funding opportunities. The Fall Enrollment report recently released by the Commission of Higher Education shows that total resident headcount at Indiana State has grown by 4.4% from Fall 2010 to Fall 2012.¹² The other four-year public main campuses have experienced stable enrollment or decreases in resident headcount during the two-year period.

New Freshmen from Indiana

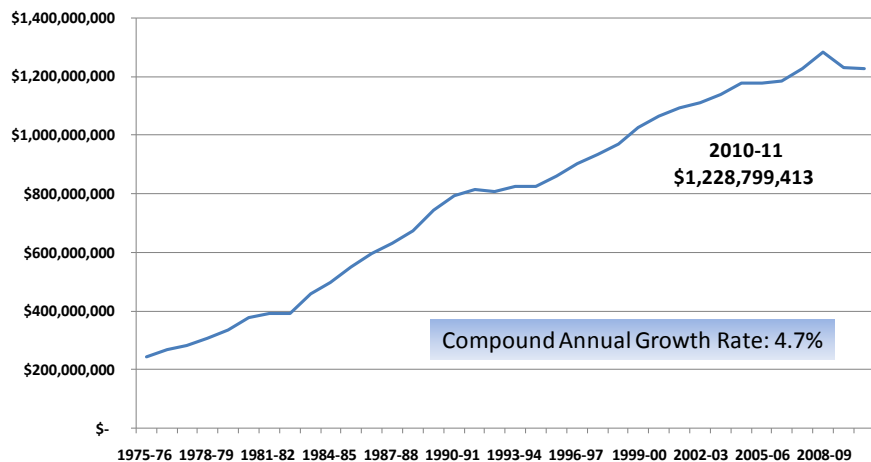


Affordability

State Funding

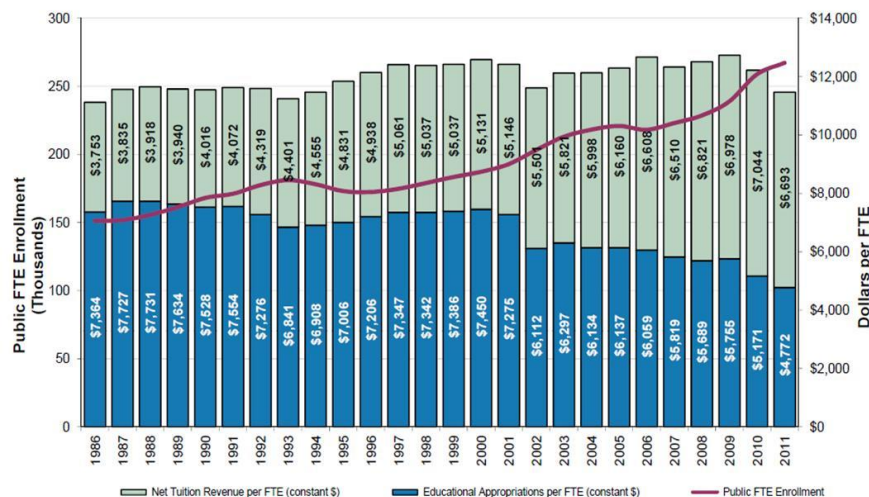
Traditionally, paying for public higher education has been a shared responsibility between the state and students, but now the burden is shifting to the student. In the 1970s, students and their families nationwide — as well as in Indiana — paid about one-third of the cost of college; in 1995, they paid 40 percent; and in 2005, 50 percent. The average debt load for a student graduating from a four-year college is now \$17,250.27 (Source: ICHE - <http://www.in.gov/che/2380.htm>).

State Appropriations Public Postsecondary Institutions



State operating appropriations to public postsecondary institutions steadily increased from 1976 to 2008. In 2008 funding began to decline. Between Fiscal Year 2009 and Fiscal Year 2011 a 4% reduction was realized in campus operating expenses and no dollars were allocated for repair and rehabilitation

Public FTE Enrollment, Educational Appropriations and Total Educational Revenue per FTE, Indiana, Fiscal 1996 – 2011



(Source: Higher Education Funding in Indiana: The Role of the Indiana Commission for Higher Education, Trustees Academy, Aug 30, 2010).

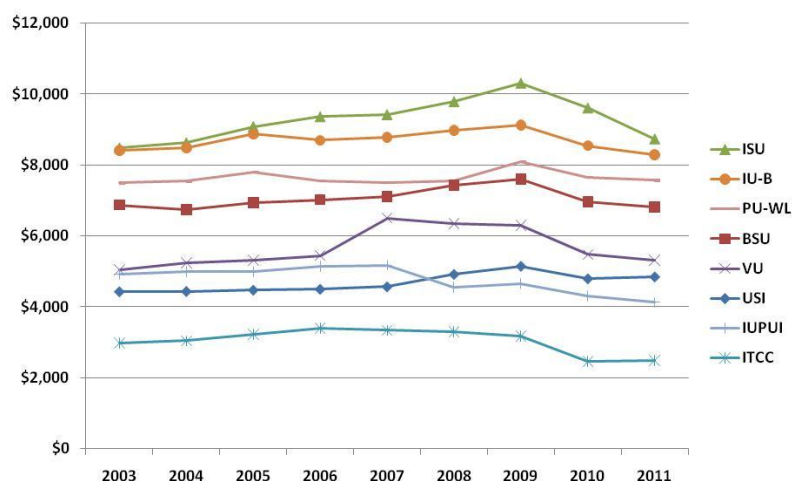
This decline in state funding has coincided with an increase in enrollment at the public institutions. "As costs for higher education are generally constant, faculty and staff accounting for almost 80% of the general fund budget, in order to maintain and improve quality, colleges

have had to be wage competitive and expenditures have grown accordingly." (Source ICHE - <http://www.in.gov/che/files/2-Affordability-7-7.pdf>) Functionally, the ratio of appropriations and net tuition revenue comprising total dollars per FTE has shifted considerably. The outcome being that the

shift in tuition funding has increased the financial responsibility of paying for higher education to that of the student or the student's parent(s), or both.

In 2011, state appropriations accounted for 42% of the cost of attending college in Indiana; down from 59% in 2001. As shown in the graph, Indiana State has historically received a higher state appropriation per FTE than Indiana's other public higher education institutions. The amount grew to over \$10,000 per FTE in 2009, and then decreased the next two years. For 2011, the appropriation amount was \$8,735 per FTE.

State Funding per Resident Degree-Seeking FTE



Beginning in 1997, the Indiana Commission for Higher Education began to explore performance based funding strategies. Degree completion was already on their radar and the Commission was addressing it systemically. In general, these early related policies were incentives supplied for additional college degrees earned by Hoosiers, in excess of the number of degree recipients from 2 years prior. Formulated due to the recognition by the Commission that their existing policies only incentivized additional credit hours of

instruction delivered, instead of timely degree completion, they were implemented for the 1999-2001 operating budgets. (Source: ICHE - <http://www.in.gov/che/files/9709185i.pdf>)

Evolution of CHE Funding Recommendations

2005	2007	2009	2011	2013
Enrollment Change (credit hours enrolled)	Enrollment Change (credit hours enrolled)	Enrollment Change (successfully completed credit hours)	Enrollment Change (successfully completed credit hours)	Enrollment Change (successfully completed credit hours)
Inflation Adjustments	Inflation Adjustments			
Equity Adjustment	Equity Adjustment			
Research Support Incentive	Research Support Incentive	Research Support Incentive	Research Support Incentive	Remediation Success (VU & ITCC only)
	Change in Number of Degrees	Change in Number of Degrees	Change in Number of Degrees	Change in Number of Degrees
	Change in On-Time Graduation Rate	Change in On-Time Graduation Rate	Change in On-Time Graduation Rate	Change in On-Time Graduation Rate
	Two Year Transfer Incentive	Two Year Transfer Incentive	Dual Credit	Student Persistence
		Low Income Degree Completion Incentive	Low Income Degree Completion Incentive	Low Income Degree Completion Incentive
		Workforce Development Incentive (funding non-credit coursework)		High Impact Degree Completion (IUB, PUWL, BSU only)
				Institution-Defined Metric

From 2005 forward, the funding shift has moved from enrolled hours to successfully completed hours and began to add new measures for persistence and graduation. For the 2009-2011 Biennium, funding policies included one enrollment funding incentive, three college completion incentives, a transfer incentive and two economic development

incentives. (Source: ICHE <http://www.ncsl.org/documents/educ/sauer.pdf>)

For the 2011-2013 biennium budget, the State implemented a 5% cut across all institutions to fund the Performance Funding pool. Otherwise

stated, through this strategy about \$61 million dollars is available from the current education budget for distribution to public universities based on performance metrics. Going forward, the budget percentage dedicated to performance funding

will move to 6% in 2014, and 7% in 2015. (Source: <http://stateimpact.npr.org/indiana/tag/performance-funding-formula>). When the performance funding formula was applied locally, the end result was a loss of over \$3 million for Indiana State University.¹³ The chart below also shows how hugely different the Commission's recommendation and final funding can be once the metrics are applied.

Performance Funding Impact on ISU's Funding 2011-13

	ISU Contribution to Performance Funding Pool	ISU Funds Recommended by ICHE	ISU Funds Approved in Final Budget
Successful Completion of Credit Hours	\$733,248	\$8,024	\$0
Dual Credit Successful Completion of Credit Hours	\$89,420	\$4,875	\$5,025
Early Successful Completion of Credit Hours	\$28,615	\$0	\$0
Low Income Degree Attainment	\$143,073	\$751,456	\$228,375
On-Time Degree Change	\$71,536	\$1,681,129	\$221,404
Change in Degrees Attained	\$1,788,409	\$0	\$0
Research Incentive	\$722,517	\$0	\$0
Total	\$3,576,818	\$2,445,484	\$454,804

ISU Performance Funding Metrics 2013-15 Budget Submission

	PREV 3YR AVG	FY2009	FY2010	FY2011
Degree Completion				
Overall Bachelors	1232	1249	1085	1058
Masters	254	246	241	246
Doctoral	35	33	37	34
TOTAL	1521	1528	1363	1338
At-Risk Student Degrees	269	298	283	337
Productivity Metrics				
On-Time Degrees	19.3	20.1	21.4	21.3
Student/Faculty Ratio	15.4	15.8	16.3	17.9
Student/Staff Ratio	7.7	7.7	9.7	10.0
Progression Point Metrics				
30 Credits	1131	1153	1182	1308
60 Credits	1115	1027	1018	1045

CHE Recommendation for allocation of performance funding dollars:
 55% through increases in overall degree completion and on-time degrees
 30% rewards progress in persistence and low income degrees
 15% improvement in institution-defined metric

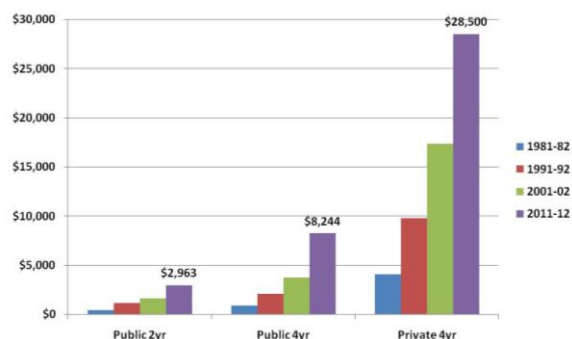
On a biennial basis, Indiana State University submits its performance metrics budget request to the State for funding consideration. The chart to the left represents the current configuration for performance funding and compares Indiana State's last 3 year's performance metrics average to their previous 3 year average. Due to the use of these 3-yr averages, the application of this formula results in long term fiscal effects for negative changes in

university performance outcomes that may only have been realized for as short a period as a single year. Though the argument for institutional accountability for increased retention and persistence is strong, fundamentally, the formula appears somewhat biased as it seems to assume static or growing enrollment at the institution in order to achieve performance funding for degrees awarded. The reality is that smaller cohorts impact the overall number of degrees awarded over time. Indiana State is developing and implementing a Strategic Enrollment Management plan for multiple reasons, but primarily as a business response to the fiscal environment in which it currently exists.

Costs

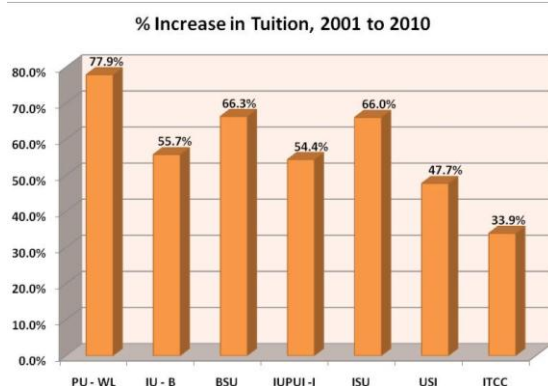
Nationally, higher education costs continue to rise in all sectors. The graph at right shows the trends for the last four decades for public two-year institutions, public four-year institution and private 4-yr institutions.¹⁴ Over the last decade, published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of inflation resulting in an average cost in 2011-12 exceeding \$8,000.

2011 College Costs by Type of Institution

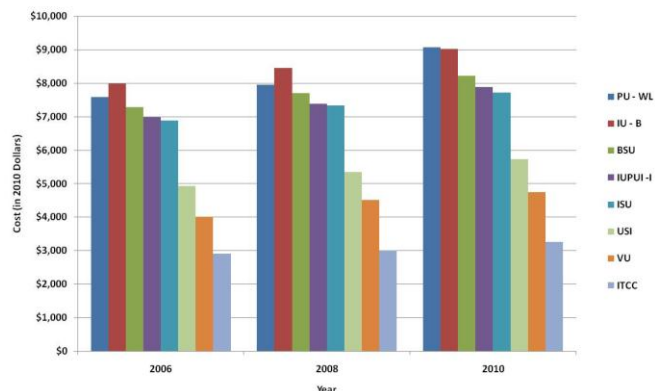


As shown in the charts below, tuition costs at Indiana public institutions have increased substantially in the last ten years.¹⁵ Increases ranged from 34% for Ivy Tech Community College to 78% for Purdue University, with Indiana State's tuition increased at 66% for the period. The chart below at right illustrates the difference in costs among institutions. Indiana State charges less than the larger state universities but more than the University of Southern Indiana. Ivy Tech's charges are less than half of ISU's.

Indiana Public Institution Fees



Indiana Public Institution Fees

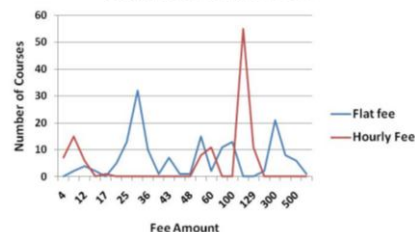


At Indiana State, the number of enrollments in courses charging additional fees has more than doubled. Fall 2011 per-credit hour fees ranged from \$4 to \$129. Per-course fees ranged from \$10 to \$1,000.¹⁶

ISU Course Fees

Course Level	Fall 2001			Fall 2011		
	Distinct Courses	Course Enrollments	Total Fees	Distinct Courses	Course Enrollments	Total Fees
Undergraduate	114	2611	\$76,259	202	5525	\$558,099
Graduate	35	82	\$3,413	70	642	\$161,958
Total	149	2693	\$79,672	272	6167	\$720,057
Avg. per course Enrollment		\$30		\$117		

Fall 2011 Course Fees



Paying for College

Forty years ago, 60% of all financial aid was awarded in the form of grants and 40% were loans. Today, nearly 70% of all assistance takes the form of loans, while qualifying for grants—especially Pell Grants--has become harder for students to qualify. More students are turning to auxiliary loans to fill both the family's expected contribution and any unmet need that exists in the cost of attendance. Auxiliary loans are the least desirable of all loans because the interest is higher than government backed student loans, and repayment usually begins while the student is still enrolled. The aggressive and creative marketing of these loans by outside agencies has lulled families into thinking these loans are easily managed by all families. Whenever loans are offered—whether government backed or private--students and families should never borrow more than what is needed. Nationally, students are averaging \$26,000 (\$19,000 for ISU graduates) in loan debt (excluding auxiliary loans) at the time of graduation, which may be reasonable when thinking about what these loans can provide over a lifetime of earnings, but a heavy loan burden can consume a significant portion of a graduate's pay check leaving a borrower with little in the way of unrestricted income to spend. Our online Net Price Calculator, introduced in June 2011, can be used by students and families to estimate their cost of attendance and financial aid eligibility. Over eighty percent of our Fall 2012 honors program prospects completed the Net Price Calculator.

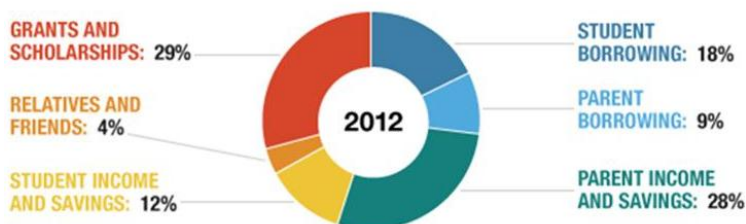
Net Price Calculator

- 18,341 visitors
- 3,646 completes
- 72% are in our admission prospect file
- 354 honors program prospectus (10% of total)
 - Average high school GPA: **3.68**/SAT: **1120**
 - Average EFC: **\$11,832**
 - 83% complete the Net Price Calculator
 - Adding parent prospectus and out-state prospectus



According to student loan provider Sallie Mae and the research group Ipsos, for 2012, 70% of families are now eliminating college choices based on their cost of attendance. The chart at left delineates how college is typically paid for by students and their families.¹⁷ The amount of money that students are

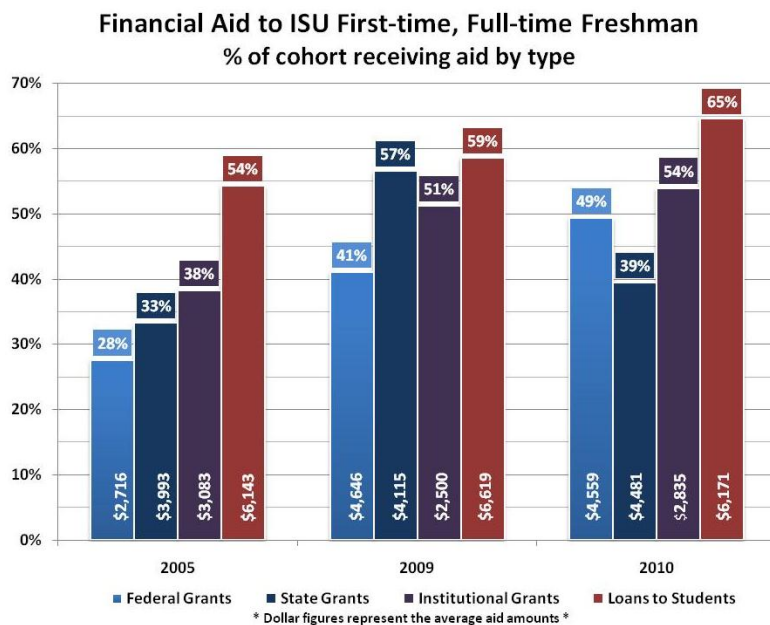
Paying for College



- 70% of families are eliminating college choices based on cost
- More students are now choosing to enroll in community colleges

supplying towards tuition between student income and borrowing is 30% of the total annual cost. This number is up 24% from 4 years ago. Parents are paying up to 37%, which is down from 45% four years ago. These numbers may not be surprising, as more students are now choosing to enroll in community colleges that cost less to attend than 4 year institutions.

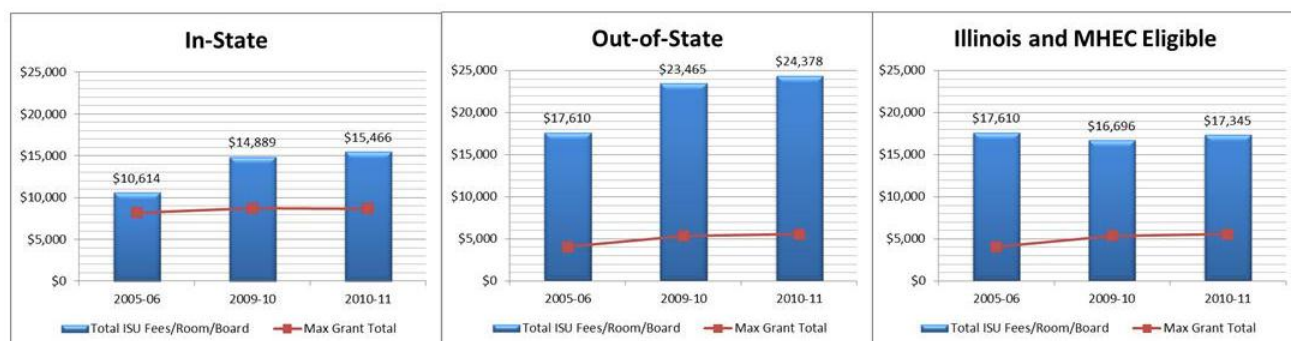
Financial aid makes college more affordable. Financial aid, which includes federal grants, state grants, institutional grants and student loans is available for Indiana State University students/families and relieves some of the cost burden for attending college. The chart below shows the percentage of ISU full-time first-time freshmen that receive each aid type by selected year.¹⁸ It also shows the



average dollar amount awarded to each student recipient by aid type. Comparing 2009 to 2010, we find that while the percentage of student federal grant recipients increased, the actual average award amount decreased. Also, the percentage of state grant recipients decreased significantly over that same period. Institutional grant awards both increased in number and amount, as did the number of student loan recipients and the size of their loans. For Fall 2012, Federal Pell grants were awarded to over half of our first-time full-time cohort.

In the last five years, the purchasing power of federal and state grants has diminished in the face of rising college costs. The bars in the graphs below represent Indiana State University's fees and room & board.¹⁹ The red line represents the maximum base grant amount. The maximum Pell Grant award in 2005-06 was \$4,050 compared to \$5,550 in 2010-11. For Indiana Frank O'Bannon base grants (in which there is no academic consideration), in 2005-06 the maximum award was \$4,137 but has decreased to \$3,130 in 2010-11. As a result, the maximum grant amount for in-state students moved from \$8,187 in 2005-06 to \$8,680 in 2010-11 - an increase of nearly 6%. During this same period, the gap between the maximum grant amount available and the combined cost of fees, room and board increased from 23% to 44%. Out-of-State students have only federal grants available to them. Their gap between costs and available grant dollars has remained constant, approximately 77%, over the same period of time. Indiana State currently charges 125% of In-State tuition to eligible students from Illinois and states in the Midwestern Higher Education Compact (MHEC). This reduces the financial gap for students in these programs from from 77% in 2005-06 to 68% in 2010-11.

ISU Purchasing Power of Grants



Recruiting at Indiana State University²⁰

Recruiting is a university-wide activity that involves and engages directly or indirectly almost everyone in the campus community. Successful recruiting requires the annual development of a comprehensive strategic plan that is constructed from historic data and employs predictive modeling. As essential as analytics is to a good plan, in the end recruiting is a fickle business that is often influenced by the emotions of the prospect and his/her family. Recruiting and the admission of students to the university is the first step on a pathway that leads to the awarding of degrees and ultimately builds life-long relationships with graduates who become successful community volunteers, world leaders and institutional ambassadors. Key indicators for Fall 2012 include:

- **12,114 total student enrollment (+586 from Fall 2011)**—highest total enrollment since 1993
- **2,664 freshmen (+143 from Fall 2011)** largest class in history; building upon two prior years of record classes
- **840 more new freshmen** than in 2009
- **747 transfers**, the fourth time we have enrolled over 700 (1999, 2010, 2011)
- **3,411 total new students: 33% of all undergraduates**
- Average GPA for regular enrolled freshmen: **3.15** vs. 3.12
- Average GPA for conditional enrolled freshmen: **2.41** vs. 2.37
- **10%** of class in Honors Program (approx. 270)

Recruiting Strategy

Recruiting has changed over time

By the late 1960s the mass of “Baby Boomers” who were born following World War II had reached college age and many saw college as the pathway to prosperity and social mobility. By 1965, nearly one in five high school graduates went to college and thus made up the 6 million individuals who were enrolled in four-year colleges and universities. By 2011, there were approximately 19 million college students in the United States, with one out of every two high school graduates enrolled in both two and four-year institutions. By the early 1970s, recruiters were referred to as “gatekeepers” and all colleges sent recruiters to visit high school to meet prospects and built their freshmen classes. Today, by necessity recruiters have become highly skilled market analysts who use sophisticated predictive modeling, applicant scoring, and yield analysis to help mold their entering classes and find just the right composition of students.

And yet some things haven’t changed at all...

While the tools used to recruit have become more sophisticated and technical, students and families have changed little since the end of World War II when it comes to the three core reasons for selecting one college over another: (1) location, (2) cost and (3) academic programs. While the order may change slightly over time, location is almost always a key factor. Students typically don’t venture far from home; in fact, nearly 60 percent of all students attend college within 100 miles of where they live. In addition to location, families base their final decisions on cost and whether or not schools offer the academic programs in which their children are interested. These three factors have stood the test of time and any seasoned recruiters know these factors need to be addressed very early in the recruiting process and repeated very often in the overall market strategy.

Core values on which a recruiting strategy is built

Recruiting is a highly competitive business that is made up of equal parts emotion and practicality. Building a recruiting strategy around eight basic truths will almost certainly produce positive results. In many ways, recruiting is no different than thinking about how we want to be treated by others and how we want to treat guests when they come to visit us in our homes. Keeping these core values at top of mind is a formula for successful recruiting and overall enrollment growth.

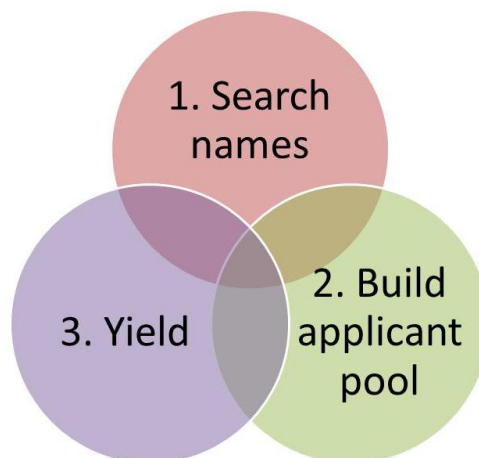
- There is no substitute for a good **image** and **reputation**
- Colleges succeed or fail in their **primary markets**
- The **campus visit** is the best “yield” strategy
- Recruitment is a **campus-wide** responsibility
- **Communication** throughout the recruiting process is key to success—drive them to the web
- **Student profiling** helps target the right prospects
- Strategically timed **financial aid awarding** leads to higher enrollment yield
- **Personalize, Personalize, Personalize**

Recruiting 101

With a set of core values guiding the recruiting office, the next step is to build a strategic plan that is based on previous enrollment trends and data. Having a well vetted plan is essential to any successful recruiting season. However, having a plan doesn’t curtail making adjustments along the way as the applicant pool is built and new strategies emerge. In addition, being willing to take calculated risks, a willingness to think differently than the competition, and remembering that there is never a second chance to make a first impression, can make a difference in enrollment outcomes. The collecting and analysis of data is at the heart of predictive modeling and in capturing a greater portion of student market share; however, in the end trusting in instincts is essential to understanding why students respond the way they do. Remembering that for most families, choosing a college is more an emotional experience than it is logical, can have a significant influence on a strategic plan.

18 month cycle

Most successful recruiting plans begin when prospective students are still high school juniors. Often referred to as the “admission funnel”, prospects are “scored” based on a review of purchased student search list names of high school students and their standardized test results and class rankings. A specific score is a starting measure of how little or much a prospect is to be “courted”, and scoring may determine how much contact is made with each prospect through both conventional mailings and electronic messaging. Once target markets are identified, building the applicant pool during the fall of the high school senior year is a key recruiting goal. With as much as 80 percent of the applicant pool complete by Christmas, the remaining half of the recruiting season can be devoted to aggressively “yielding” those who have been admitted. By midsummer when new student orientation is complete, the fall class should be firm, although there is always an allowance for some “summer melt” when a few admits drift away only to be replaced by late applicants. As one recruiting



cycle ends with the start of fall classes, another cycle is already well underway for the following fall class.

We need to keep an eye on the ball

Are traditional four-year institutions in danger of becoming dinosaurs? This generation of students is very different than even a decade ago. They are very comfortable learning and socializing electronically. It is likely in a few years, most instruction will occur via the web, and paper textbooks will be a thing of the past. For institutions to survive, they need to consider the ways in which they conduct business. Student lifestyles are changing and along with that change is a need for the way in which higher education delivers its instruction. Not only are lifestyles changing, but so too is the extent to which high

Tomorrow's challenges

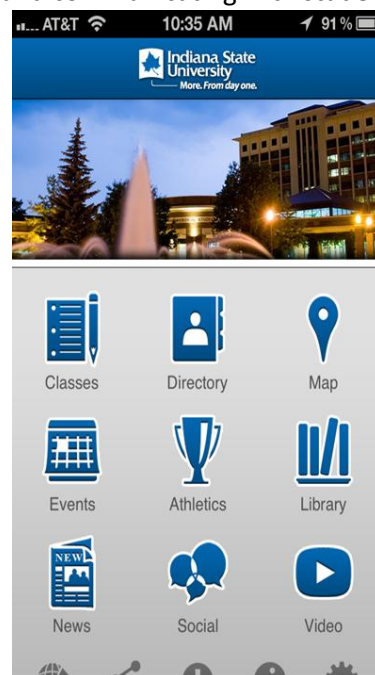
- **Changing demography of students**
- **Competition for same students**
- **Widening gap between financial aid and college costs**
- **Public's skepticism as to the value of a four-year degree**

school age students are prepared for the rigors of college academic instruction. Most need some degree of remediation in the basics of writing and mathematics before they can take on the challenge of college courses. A more dramatic change on the horizon is how institutions will recruit Hispanics as they bring an entirely new set of wants and needs to the table. Finally, demographics are changing as the US population shifts in what will result in nearly 70% of the US population living in nine southern states by 2025. Addressing these and similar issues will require the combined creative

thoughts and skills of administration and faculty if they want to survive beyond the next few decades.

Digital has gone viral

The Millennial student is very comfortable communicating and socializing electronically. While a printed view book remains a staple in the recruiter's war chest, connecting and communicating with students via the Web and Facebook have become today's norm. Mobile devices are both a convenient and essential way to reach prospects by providing them with a window into campus events and services, the awarding of merit scholarships, taking a virtual tour of campus, and filing the federal application for need-based financial aid. Students and their families can use the Net Price Calculator to determine exactly their expected monetary contributions toward meeting the cost of attendance. Knowing in advance what to expect in terms of costs can provide vital information into making informed decisions, long before fall classes begin. Using an electronic application for admission helps avoid processing errors and speeds the process along, which means students have admission decisions at a time when they are most interested and most likely to enroll. Digital applications now play a key role in information dissemination:



- **Website**
 - Online advertising is new (e.g., retargeting banner ads, search engines); 194,000 unique visitors grew to 423,000 in one year
 - Students are spending twice the time on sites and “stickiness” went from 20% to 65%
 - Admissions Office “Live Chat” with prospects
 - Coming in Spring 2013 – New design, improved navigation and better technology
- **Facebook**
 - Fans grew from 4,500 in spring 2011 to 11,300 in spring 2012
 - Created an application targeted at 2012 freshmen
 - 2,300 installed the application
 - 80% of Facebook users attended June orientation
 - Over 1,700 of our incoming Freshmen are already using this app
- **ISU Mobile (Apple, Android or <http://m.indstate.edu>)**
 - Courses offerings, scheduling, future course planning, locator
 - Department and people directory
 - GPS map/bus routes/ATMs
 - Library search tool
 - View campus events and update personal calendar
 - In the 4 days since launch: 3,439 visitors/2,736 unique
 - 950 Apple downloads (4.5 star rating); 180 Android (5 star rating)

Successful Efforts

- College Go Week – able to work prospects longer
- Welcome Center hosts
- Student search names
- Building new markets (Chicago metro, Kentucky, Ohio scholarships – 125% in-state tuition)
- Strategic media buying (broadcast, billboard, radio)
- Emphasis on social media
- Early Fall merit scholarship awards
- Mailing financial aid packages earlier (March 15th)
- Staying connected with admitted students
- Summer orientation as final “yield” activity

The Future

There has never been a more exciting and challenging time to be a college or university admissions officer. Technology is providing new and better ways to fine tune how we conduct student searches, and how we refine and pinpoint target populations. At the same time, we face a more competitive market than any time since the end of World War II as Midwest schools compete for greater portion of a smaller market. Challenges like affordability, academic preparedness, and shifting demographics, will continue to present opportunities for institutions to find creative ways of better serving their traditional student populations and a growing number of nontraditional students. The future is bright for those who recognize that change is inevitable. An educated population is vital to our country’s sustained future on the world stage.

Indiana State University Enrollment Profile

Fall 2012 Enrollment Summary

In the last five years, **Indiana State's enrollment has increased by 15% to a total of 12,114 students for Fall 2012.**

Undergraduate enrollment has increased by almost 19% topping 10,000 students in Fall 2012. Graduate student enrollment has remained stable for the five-year period and represents 17% of total Fall 2012 enrollment.

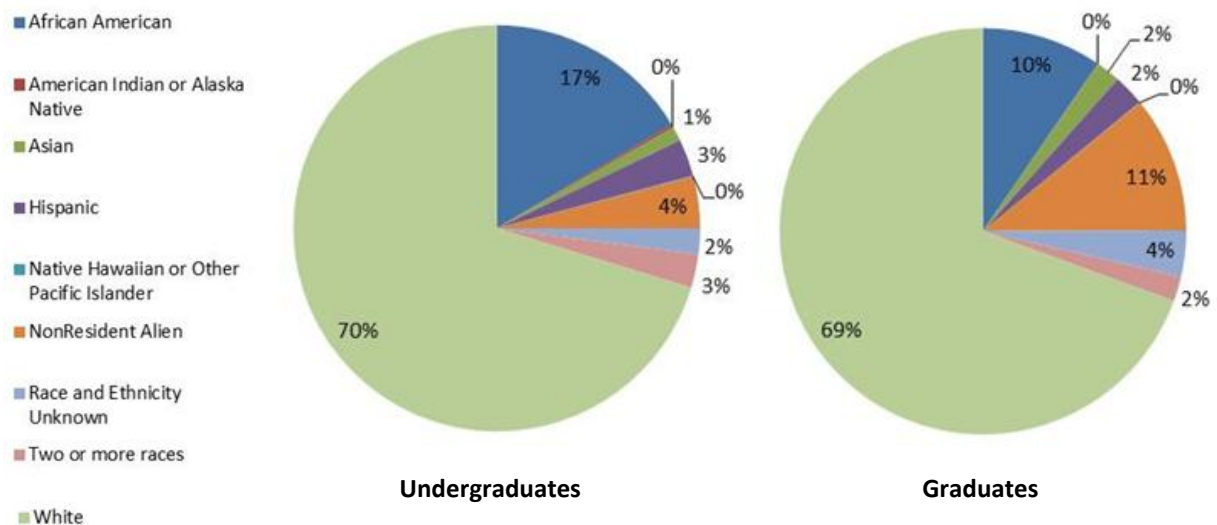
Year	Undergraduate	Graduate	Total
2007	8493	2050	10543
2008	8386	2071	10457
2009	8460	2074	10534
2010	9373	2121	11494
2011	9449	2079	11528
2012	10076	2038	12114

In Fall 2012:

- 81% of undergraduate students are Indiana residents while 58% of graduate students are In-state students
- 54% of undergraduate students and 61% of graduate students are women
- Approximately 70% of both undergraduate and graduate students are Caucasian (down from 80% in Fall 2007)
- Undergraduate African American enrollment has increased from 13% in Fall 2007 to 17%
- Graduate US minority enrollment has increased from 13.5% in Fall 2007 to 16%

Graduate Summary

Fall Enrollment by Ethnicity

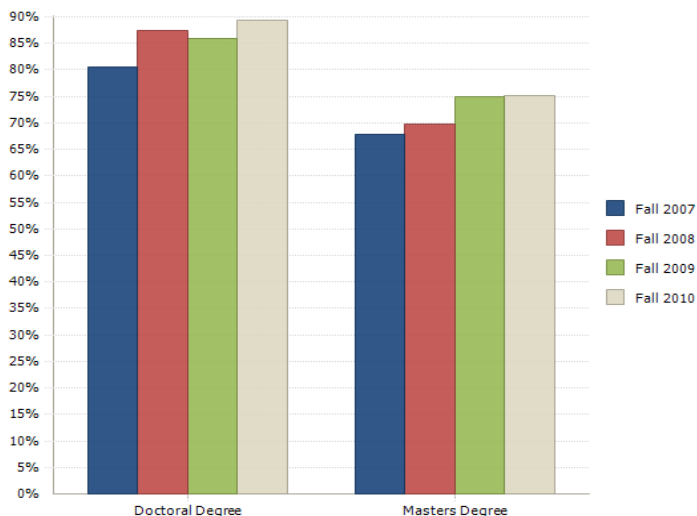


At the national level, between 2000 and 2010, graduate enrollments have increased on average 3.3% each year. Many of these gains are the result of the increasing enrollment of women and minorities. (Source: Council of Graduate Schools) In 2010, 60% of all graduate students were enrolled in public institutions and more than half of these students were enrolled in Education, Business, or the Health Sciences fields. 75% of all graduate students were enrolled in Master's programs. As evidenced in the table at right, Indiana State's graduate enrollment parallels the national profile.

Graduate Enrollment

National	Indiana State University
Overall graduate enrollment has increased on average 3.3% each year (2000-2010)	ISU graduate enrollment is stable and represents 18% of total ISU enrollment
Women and minorities, especially Hispanic students, drive most enrollment gains	61% are women and 15% are minorities
Six out of ten were enrolled in public institutions	Nearly 1 in 4 have ISU Bachelors degrees
More than half were enrolled in Education, Business or Health Sciences	75% are enrolled in 13 departments
75% were enrolled in Master's programs	Doctoral students represent 22% of total

ISU Graduate Student Fall-to-Fall Return Rates 2007-2010



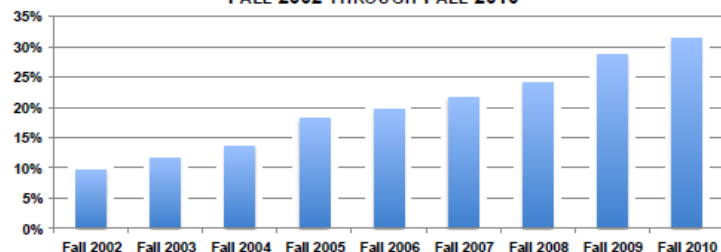
From 2007 to 2010, Fall-to-Fall return rates for graduate students have been increasing for both Master's and Doctoral students. In 2011, the Doctoral student Fall-to-Fall return rate was 90%, compared to just over 80% in 2007. For Master's students, the 2011 Fall-to-Fall return rate was 75%, compared to less than 70% for 2007.²¹

Distance Education

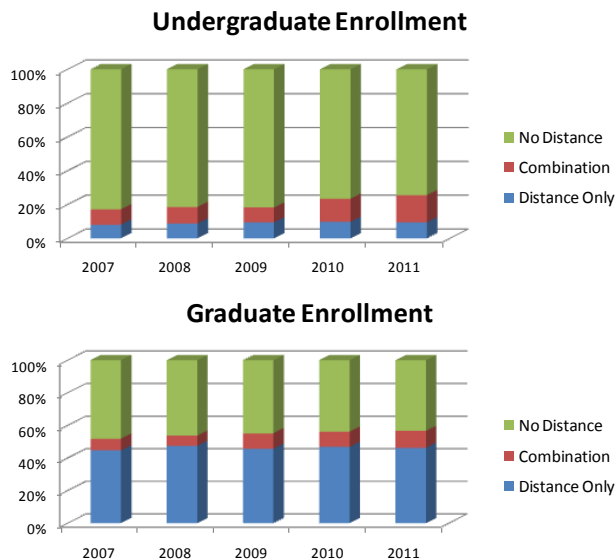
Another area of impact to the university is distance learning. In 2003, less than 10% of US college students were distance learners. Currently, 31% of all higher education students now take at least one course online. In Fall 2010, over 6.1 million students were taking at least one online course, though the overall growth rate is slowing a bit. For 2010, the growth rate in online enrollments was 10%, which was the second lowest growth rate since 2002.

However, this number is greater than the overall higher education student population growth rate, which was less than one percent. (Source: Going the Distance, Online Education in the United State, 2011 Babson Survey Research Group).

ONLINE ENROLLMENT AS A PERCENT OF TOTAL ENROLLMENT - FALL 2002 THROUGH FALL 2010



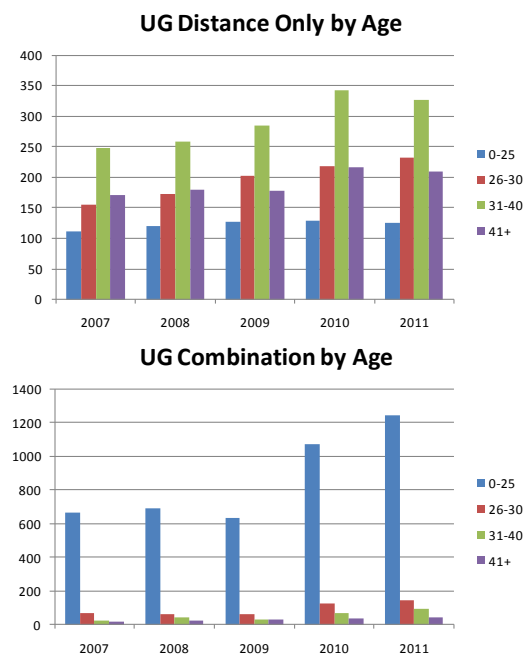
ISU Distance Education



At Indiana State University, for Fall 2011, one in four undergraduate students were enrolled in at least one distance course, with just under 10% of the undergraduates identified as “distance only” students.²² Additionally, more than half of the graduate student population (56%) took at least one distance course, with 46% of all graduate students being exclusively distance learners.

The majority of distance education students at Indiana State are older than the traditional “college age” student. The largest group of distance learners is between 31 and 40 years old, followed by students between the ages of 26 to 30 years old.²³ Indiana State is helping to meet the needs of the non-traditional student through distance learning opportunities. Here, online courses are often being used as a tool for degree completion. Distance education in Indiana is here to stay and is an opportunity for increasing enrollment numbers at Indiana State University.

ISU Undergraduate Distance Education



Enrollment Goals

Indiana State University has established an enrollment target of 14,000 students (12,000 FTE) by Fall 2017. The assumption is that the undergraduate/graduate mix will remain at approximately 80% undergraduate and 20% graduate. While doing this, we need to increase our annualized Hoosier FTE by 1,500. Therefore approximately 75% of the enrollment growth needs to be in Indiana residents. The

"The goal of Indiana State University must be to accept students who are capable of being successful and take them from where we find them to a bachelor's degree."

*ISU President Dan Bradley
Aug 22, 2012 SEM Kickoff*

rationale for these goals is to: 1) decrease our historically high funding appropriation per FTE relative to other 4-year publics; 2) compensate for declining appropriations; and 3) alleviate tuition increase pressures.

While there are no specific enrollment goals for mix by gender and ethnicity, we anticipate that Hispanic enrollment will grow and overall minority enrollment will not shrink. Our gender mix needs to be closer to 50/50 than the current mix which is at 55% female for Fall 2012. There is no expectation that the average preparation level

will increase over time.

First-time Freshmen

As mentioned earlier, Indiana State has experienced tremendous growth in new freshmen in recent years. From 2001-2005, the entering class of full-time, first-time bachelor's degree-seeking students steadily declined by about 100 students each year. This trend was reversed in 2006 with 18% growth between 2006 to 2008, followed by a 1-yr increase of 42% in 2010. The class size was maintained in Fall 2011 and increased by 6% in Fall 2012.²⁴

New Freshmen - First-time Full-time Bachelors Degree Seekers (FTFTBDS)

Year	Total	Headcount		Percent Conditional
		Unconditional	Conditional	
2001	2016	1601	415	21%
2002	1925	1658	267	14%
2003	1836	1494	342	19%
2004	1672	1382	290	17%
2005	1519	1195	324	21%
2006	1552	1204	348	22%
2007	1691	1328	363	21%
2008	1832	1354	478	26%
2009	1801	1441	360	20%
2010	2566	2068	498	19%
2011	2512	2219	293	12%
2012	2658	2325	333	13%

Also significant is the 2011 adjustment in the percentage of the class that has been conditionally admitted. ISU admission requirements are:

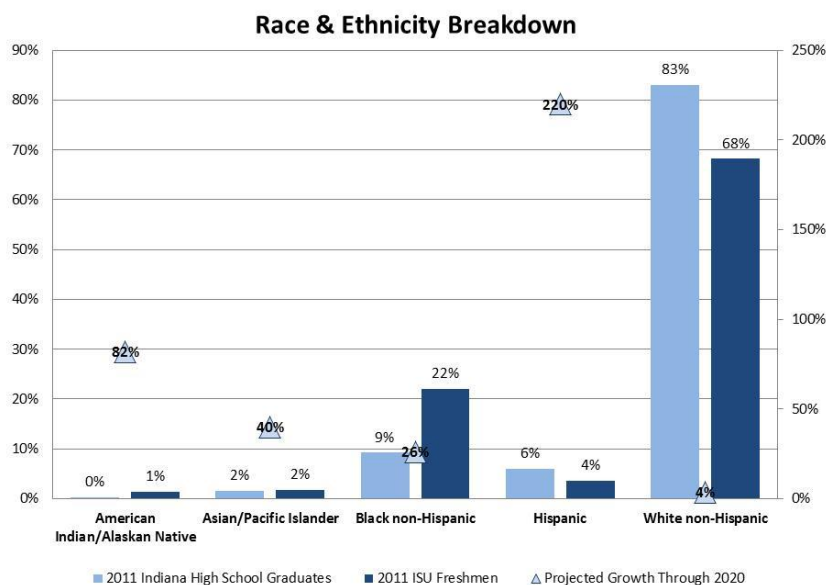
- *Conditionally admitted students are in the bottom half of their high school graduating class. Completion of the Indiana Core 40 high school curriculum (or equivalent for non-Indiana graduates) with a grade point of 2.5 on a 4.0 scale.*
- *Indiana high school graduates must have passed both the mathematics and English sections of ISTEP or receive an official waiver from their high school.*

Applicants who do not achieve the levels listed above are reviewed individually, with consideration given to: standardized test scores; the difficulty of the student's high school curriculum; grades earned in academic subjects; and other evidence that the applicant has the potential for success in university studies. A limited number of students are admitted conditionally if they agree to follow a prescribed course of study and advisement.

From 2006 to 2010, between 19% and 26% of the FTFTBDS population was conditionally admitted. In 2011 and 2012, the percentage of all entering FTFTBDS freshmen conditionally admitted was 12% and 13%, respectively.

Freshman Profile

In Fall 2012, approximately 68% of the entering freshmen rank in the top half of their high school class with 29% ranking in the top quarter and 9% in the top ten percent. Nearly 90% have a 2.5 or higher HS GPA, while 53% have at least a 3.0 HS GPA and 22% have a 3.5 or higher HS GPA. As in Fall 2011, more than half of entering freshmen are laptop scholars. Almost 10% are in the University Honors program.



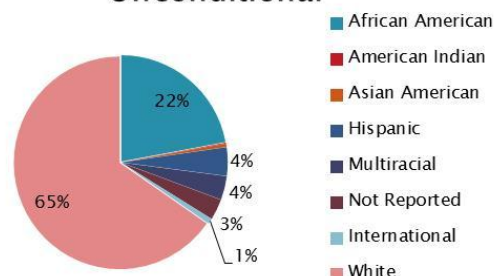
The graph at left compares the 2011 Indiana high school graduates to ISU's Fall 2012 entering freshmen and provides the projected growth rates for each race/ethnicity.

African American students represent a larger % of ISU's freshman class than the high school graduating class. Hispanics are less than 5% of our freshmen class and around 6% of HS graduates but are projected to grow by over 200% by 2020.

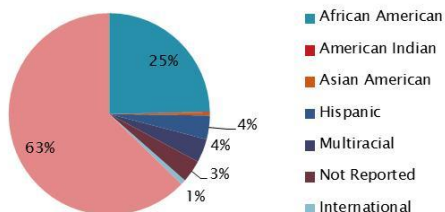
Source: Western Interstate Commission for Higher Education
www.wiche.edu/info/knocking/1992-2022/Indiana.pdf

One in four students in the Fall 2012 FTFTBDS cohort are African American. There are marked differences in the race/ethnicity composition between unconditional and conditional admits. While 22% of unconditional admits are African American, compared to 43% of conditional admits.²⁵

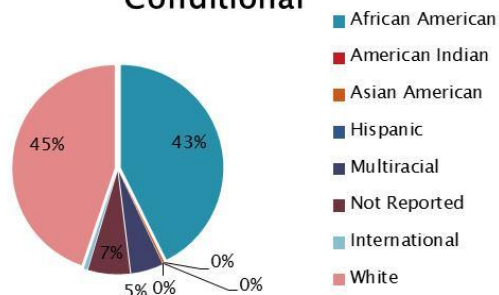
Unconditional



All FTFT BDS

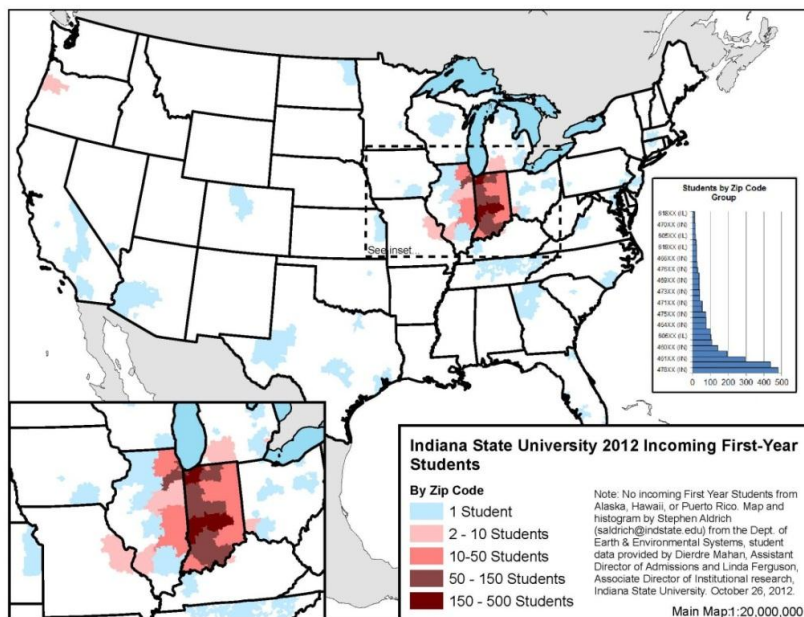


Conditional



Other characteristics are:

- 56% are women
- 81% Live on Campus
- More than half are Pell Recipients
- Over half are first generation students
- 80% are Indiana residents
- 16% are from other states
- 4% are international students



More than 25% of entering freshmen live in Marion and surrounding counties while 16% live in Vigo and surrounding counties and 11% come from Northwest Indiana. The map below groups Fall 2012 first-time freshmen according to the first 3 digits of their home zip codes. Significant populations are from western Indiana and the Chicago area with major concentrations along the Indianapolis area to Terre Haute corridor and northwestern Indiana.

Enrollment Behavior

Retention Goal

The national average 1-year freshman retention rate is 78.4% and for Indiana 4-yr public institutions it is 74.3% (source: IPEDS 2010). Retention rates vary widely based on institution type, mission, student

Name	Middle 50% ACT	Middle 50th SAT total	Class rank percentile	ACT Category	Average one-year retention rate
Purdue University WL	23-29	1530 - 1900	71% from top quarter	Selective - highly selective	87%
Indiana University B	24-29	1625 - 1845	74% from top quarter	Selective - highly selective	90%
Ball State University	20-24	1440-1720	89% from top half	Traditional	79%
IUPUI	18-25	1369 - 1699	85% from top half	Traditional	70%
Indiana State	16-22	1210 - 1520	64% from top half	Liberal - Traditional	66%
University of Southern Indiana	18-23	1270-1590	69% from top half	Traditional	67%

population and selectivity. The table below describes selectivity indicators and average retention rates (2008-2011) for 4-yr public institutions in Indiana. ISU's

test score and percentile rank indicators place it between ACT's Liberal and Traditional selectivity categories. Because of the differences in selectivity, the set of Indiana 4-year publics is not a relevant retention rate comparison group for ISU.

The set of institutions below is a proposed peer set suggested by our AACRAO SEM consultant based on similarities across institutions.²⁶

Main	State	Locale	Size (Undergrad FTE)	In-State Tuition and Fees	% Pell Recipients	% Under-represented Minority	Middle 50% SAT/ACT
Illinois State University	IL	City Small	18,594	\$11,832	24%	15%	22-26
Ball State University	IN	City Small	17,627	\$8,558	33%	12%	480-580
Central Michigan University	MI	Town Remote	21,698	\$8,158	34%	12%	450-575
East Carolina University	NC	City Small	21,589	\$5,364	34%	22%	460-560
Indiana University of Pennsylvania-Main Campus	PA	Town Distant	13,151	\$8,362	37%	14%	440-530
University of Northern Colorado	CO	City Small	10,414	\$6,623	34%	22%	470-580
Louisiana Tech University	LA	Town Distant	9,109	\$5,896	37%	18%	460-590
The University of West Florida	FL	City Small	9,832	\$4,701	36%	26%	470-570
East Tennessee State University	TN	City Small	12,539	\$6,271	50%	11%	430-540
Indiana State University	IN	City Small	9,449	\$7,982	49%	23%	400-510

The associated 1-year retention rates and 6-year graduation rates for these institutions are provided at right. These are 3-year averages from the 2006-2008 entering classes. Though Indiana State's retention rate has declined in recent years, it is not unrealistic to set a five-year goal of achieving a one-year retention rate of 70% by 2017.²⁷

Main	2009 6-Year Grad Rate	1st Year Retention Rate
Illinois State University	69.0%	83%
Ball State University	58.3%	78%
Central Michigan University	57.2%	77%
East Carolina University	56.8%	76%
Indiana University of Pennsylvania-Main Campus	54.2%	74%
University of Northern Colorado	49.3%	70%
Louisiana Tech University	46.4%	72%
The University of West Florida	45.3%	71%
East Tennessee State University	42.5%	67%
Indiana State University	40.4%	66%

Freshman Retention

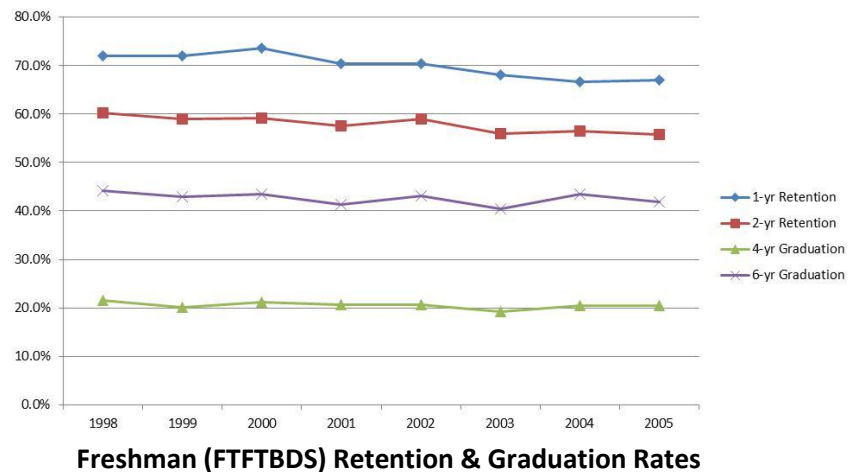
While the last five years have seen tremendous growth in the size of our entering freshman cohort, the 1-year retention rate declined from 69% for the Fall 2006 cohort to 58% for the Fall 2010 cohort. Of particular concern was the nearly 6 point decline for the 2010 cohort. As shown in the table below, the decline was much greater for unconditional students than for conditional admits so this decline cannot wholly be attributed to academic preparation.

New Freshmen First-time Full-time Bachelors Degree Seekers (FTFTBDS)

Year	Headcount			Percent Conditional	1yr Retention Rate		
	Total	Unconditional	Conditional		Total	Unconditional	Conditional
2006	1552	1204	348	22%	69.1%	71.8%	59.8%
2007	1691	1328	363	21%	66.2%	69.4%	54.5%
2008	1832	1354	478	26%	63.9%	67.6%	53.6%
2009	1801	1441	360	20%	63.9%	68.6%	45.3%
2010	2566	2068	498	19%	58.1%	61.9%	42.2%
2011	2512	2219	293	12%	60.6%	63.1%	41.6%
2012	2658	2325	333	13%			

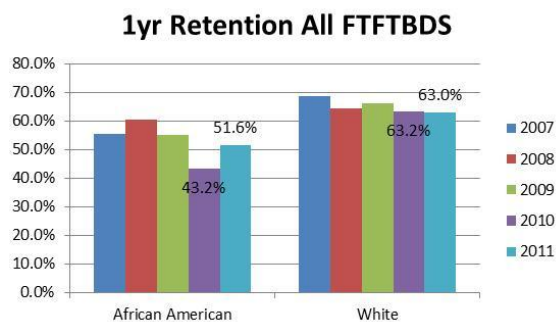
For the 2011 cohort, the overall rate improved by 2.5 points to 60.6%.²⁸ The ISU freshman retention story simply stated is that for every five entering freshmen, two leave after the first year. Another leaves some time after that. One graduates in 4 years and another continues on to eventually graduate, most completing within six years.

As seen in the graph at right, graduation rates generally follow retention rate trends.²⁹ The decline in recent 1-yr retention rates will eventually be reflected as a downturn in graduation rates as well. Efforts to improve first-year retention rates are ultimately aimed at improving graduation rates.

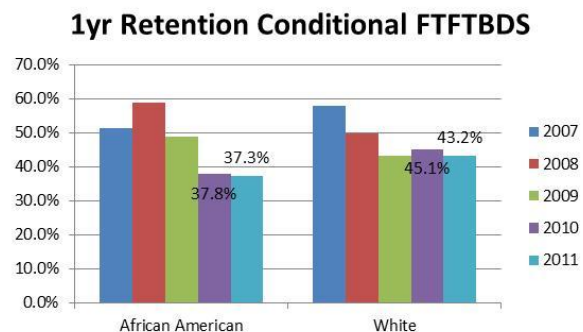
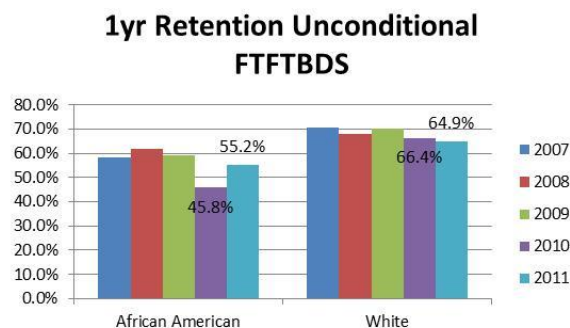


Retention by Ethnicity

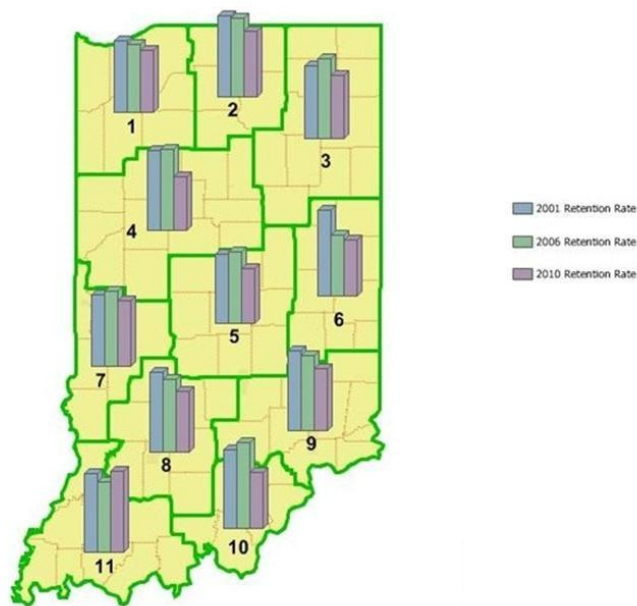
There are significant differences in retention rates between Caucasian and African American students. For African American freshmen, retention had fallen from 55% to 43% in for the 2010 cohort but rebounded for the 2011 cohort to 52%. For White students, the rate was 63% for both the 2010 and 2011 cohorts.³⁰



For Unconditional students, the retention rate for African Americans improved by nearly 10 points from 45.8% for the 2010 cohort to 55.2% for the 2011 cohort while the rate fell by 1.5 points for Caucasian students. For Conditional admits, the rate for African American students remained constant and fell slightly for Caucasian students.



Retention by Geographic Region

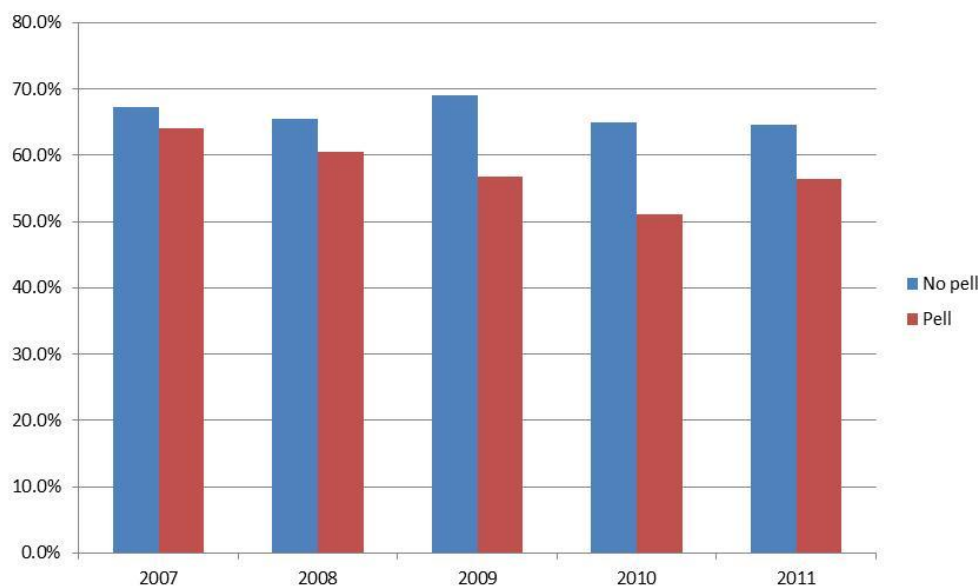


The map at left and chart below compare 2001, 2006 and 2010 retention rates for each of the Indiana geographic regions.³¹ Only the southwestern region showed gains between 2006 and 2010. Of particular concern is the decline from 68% to 52% for Region 5, since over 25% of our students now come from that region.

Region	Indiana FTFR Retention Rates (Pct)		
	2001	2006	2010
1	68.31	65.83	59.70
2	77.97	76.00	63.41
3	70.00	76.74	61.54
4	76.67	77.50	51.85
5	67.14	68.42	52.46
6	82.05	58.82	54.55
7	68.94	72.32	63.81
8	76.38	70.27	58.18
9	76.92	72.73	60.19
10	75.00	81.58	53.49
11	75.54	67.33	76.99
Total	71.20	70.89	58.49

Retention by Income Level

Pell eligibility can be used as a proxy for income level. At ISU, more than half of entering freshmen are Pell Grant recipients. As shown in the chart below, Pell recipients have been retained at lower rates



than those not receiving Pell Grants and have seen a decline in retention rates from 2007 to 2010. However, for the 2011 cohort, retention improved from 51% to 57% for Pell recipients while the rate for those not receiving Pell Grants held at 65%.³²

Freshman (FTFTBDS) 1-Yr Retention Rates by Pell Status

Retention for Students Living On and Off Campus

Freshman retention can be impacted by where the student resides. The chart below shows the 1-year retention rates for new freshmen that lived on campus and off campus for the last ten years.³³ The majority of ISU students reside on campus their freshman year. The Office of Residential Life provides support and programming to these students that foster both academic success and social engagement with peers and the campus community. On-campus students have typically been retained at or above the level of off-campus students, although for the 2011 cohort, the on-campus retention rate was below the off-campus rate.

Year	OffCampus		OnCampus		Total	
	Cohort	1yr Retention	Cohort	1yr Retention	Cohort	1yr Retention
2003	460	67.8%	1376	68.2%	1836	68.1%
2004	459	67.1%	1213	66.4%	1672	66.6%
2005	407	67.1%	1112	67.0%	1519	67.0%
2006	429	65.5%	1123	70.4%	1552	69.1%
2007	400	65.8%	1291	66.4%	1691	66.2%
2008	414	65.0%	1418	63.6%	1832	63.9%
2009	383	62.1%	1418	64.4%	1801	63.9%
2010	488	54.5%	2078	59.0%	2566	58.1%
2011	501	63.5%	2011	59.9%	2512	60.6%
2012	505	0.0%	2153	0.0%	2658	0.0%

What is particularly noticeable over the past few years, is how growth in on-campus living has accelerated and the diversity changed due to the significant growth in students from areas outside the Wabash valley. The percentage of new freshmen living on campus has increased from 75% in 2003 to

Year	Percent Living On Campus			% of On-campus that are African Americans
	Total	African American	Others	
2003	74.9%	94.5%	72.3%	14.9%
2004	72.5%	91.5%	70.0%	15.0%
2005	73.2%	90.6%	71.0%	13.8%
2006	72.4%	94.4%	68.2%	20.9%
2007	76.3%	93.3%	73.2%	19.3%
2008	77.4%	96.5%	73.4%	21.7%
2009	78.7%	95.5%	74.5%	24.2%
2010	81.0%	95.6%	76.7%	26.9%
2011	80.1%	92.0%	76.7%	25.2%
2012	81.0%	95.9%	76.1%	29.2%

81% in 2012. A much higher percentage of African American new freshmen live on campus. For example, in Fall 2012 almost 96% of African American new freshmen lived in residence halls compared to 76% of non-African Americans. The percentage of all residence hall new freshmen that are African American has doubled from 15% in 2003 to almost 30% in 2012.³⁴ As noted above, African American students have historically been retained at lower rates, thus impacting the on-campus/off-campus retention rate

comparison.

MAP-Works – Early Warning System for Improving Freshman Retention

ISU utilizes MAP-Works, a tool for early identification of undergraduate students who may be at risk of leaving the institution. MAP-Works is utilized by more than 1,500 colleges and universities in the United States. Here at ISU, it is used extensively by Residential Life and Student Affairs staff as a source of real time information that builds output in the form of student risk factor levels while providing the opportunity for intervention. It is also used by a number of academic advisors and faculty to track advisees as well as students enrolled in one's classes. In brief, MAP-Works provides enormous insight about one's students;



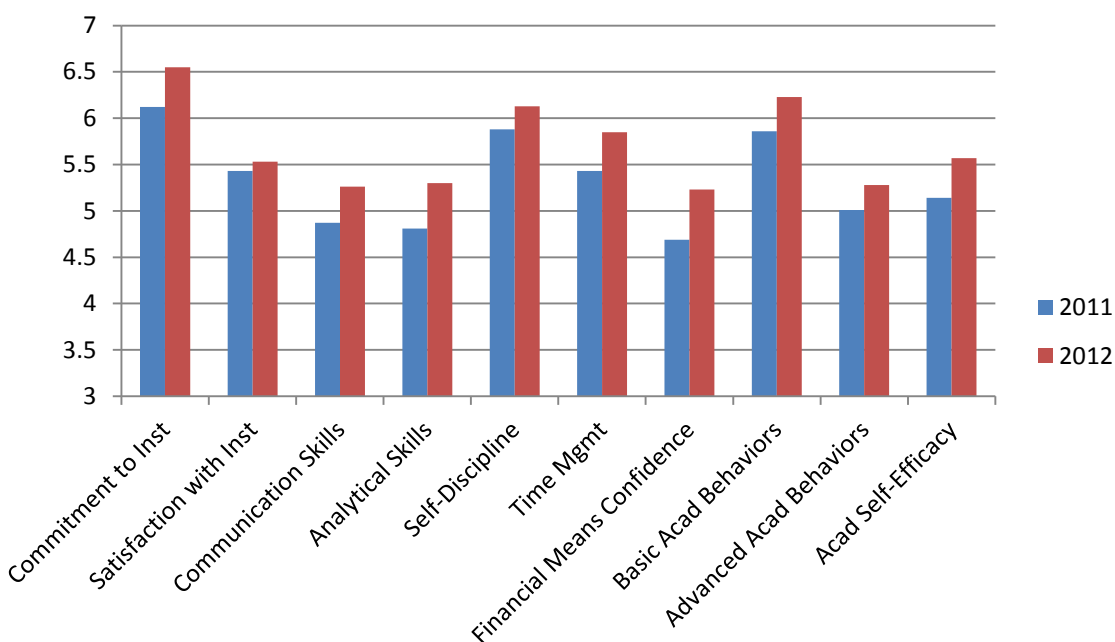
information populated in part by ISU central data and in part by observational data from Residential Life and Student Affairs staff, faculty and advisors, and the students themselves. At the three week mark in the fall semester, ISU launches the Fall Transition Survey that is administered to first-year freshmen. This survey is a tool that explores 20 risk factors known to impact student success.

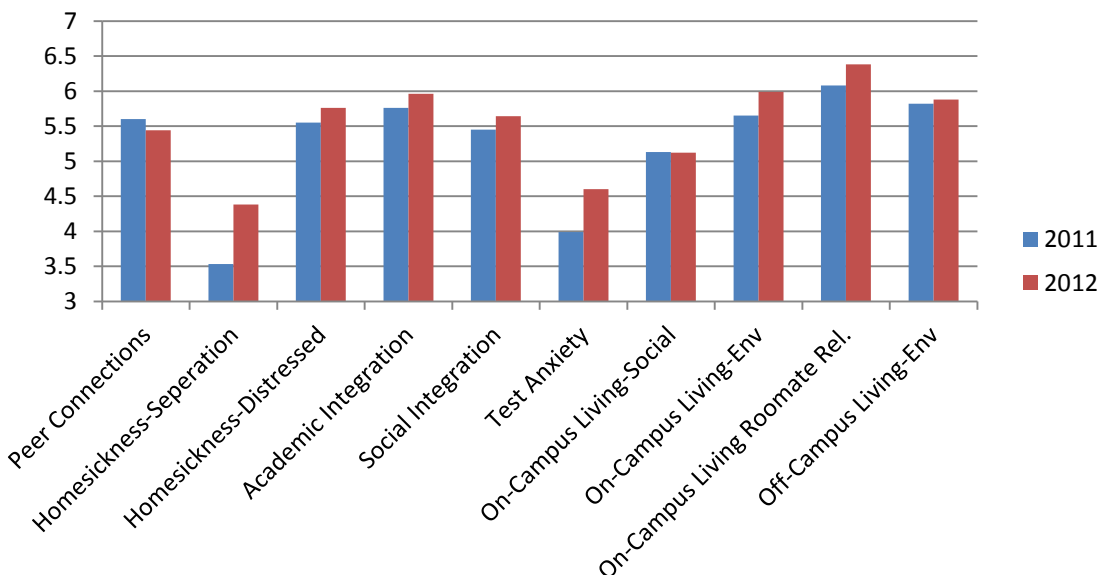
The core of the survey is a set of 60 7-point rating scale questions (1=very poor/not at all/not at all certain to 7=excellent/extremely/always) plus 6 focused questions related to living on or off-campus in the following 20 arenas that research has shown to be factors in student retention/success:

Commitment to the Institution	Homesickness – Separation
Communication Skills	Homesickness - Distressed
Analytical Skills	Academic Integration
Self-Discipline	Social Integration
Time Management	On-Campus Living – Social Aspects
Financial Means Confidence	On-Campus Living - Environment
Basic Academic Behaviors	On-Campus Living – Roommate Relations
Advanced Academic Behaviors	Off Campus Living - Environment
Academic Self-Efficacy	Test Anxiety
Peer Connections	Satisfaction with the Institution

Each factor consists of 3 to 7 sub-questions that speak to various aspects of the factor, with higher ratings indicating stronger self-reported commitment/satisfaction/confidence/positive feelings.

In 2011, 2,080 freshmen completed the survey (82.5% of entire freshmen class). For Fall 2012, 2,206 freshmen completed the survey (88.2% of the entire freshmen class). Reflected on the graphs below is a 2011 vs. 2012 comparison of the arithmetic means for the 20 risk factors.





As shown in the graphs, ratings by the Fall 2012 cohort were higher than for the Fall 2011 cohort in 18 of the 20 areas, with the top three increases being *homesickness-separation* (up .85), *test anxiety* (up .61, meaning that they have less test anxiety than last year's cohort), and *financial means confidence* (up .54). *Peer connections* was the one factor that declined (down .16) while *on-campus living-social* was essentially unchanged. The findings suggest that 2012 entering freshmen appear, in general, to be starting better prepared and have greater confidence in their skills and abilities. Inferential analysis on the 2012 cohort was done on the 20 factors and regressed against *institutional satisfaction*. Three factors, *peer connections*, *commitment to the institution*, and *academic self-efficacy* were shown to be significant, the first two also being predictors for the 2011 cohort.

The 2012 cohort findings suggest that while there is much to be optimistic about with this cohort, there remain key areas of students' need that require attention from the university, most especially with peer connections. Three questions make up this factor, (1) connections with people who share common interests, (2) connections with people that include them in their activities, and (3) connections with people they like. Another area of concern focuses on the findings for intent to return in the spring term (a sub-item of the commitment to the institution factor). The data revealed that 213 students selected 3, 4, or 5 for this item, the middle of the scale. Another 50 students selected 1 or 2, indicating a strong intent not to return for the spring semester. These combined students represent a potential 10 percentage point impact on retention.

In light of these findings, curricular and co-curricular attention is needed to enhance student opportunities for peer connection. Outreach to students in at least the 3 to 5 rating scale range on intent to return for the spring semester is also needed and is planned. Based on many of the 2012 MAP-Works findings, extensive outreach and programming intervention provided through Residential Life is also underway. A number of advisors, faculty, and staff have also reached out to students in high risk categories; more is needed, including support for students that indicated high financial concerns. To

further support undergraduate student success campus-wide, this year Indiana State also added sophomore, junior, and senior Map-Works modules to the mix.

Freshman Retention Research

Predictive Models

Several independent research studies were commissioned to examine first-year success factors for entering ISU students. The first was undertaken by Dr. Brent Drake, Assistant Vice Provost and Director of Enrollment Management Analysis and Reporting at Purdue University. The purpose was to examine the results of the Fall 2009 three week transition survey, completed by 697 new students as part of ISU's MAP-Works pilot implementation, to determine what initial data points predict one-year retention.

"The best specified predictive models indicate that the factors derived from the MAP-Works three week survey clearly improve the ability to predict first-year student success at ISU. Looking at the combined results from the two models there are several variables that should serve as early warning indicators for the University. First, students with lower reported high school GPAs and students admitted on conditional status are, as would be expected, clearly more at risk in their first year. As would also be expected honor level admits are less at risk.

Beyond these known admissions' variables are several additional items that are caught at the three week survey mark that indicate adversity for the students. Students who have experienced three week attendance issues, who indicated ISU was not their first choice of college, who do not live on campus, who are less involved in campus activities, who are more concerned about their finances, and who are less committed to the University are more likely to not be retained their second year. These findings match what the literature on first-year student success indicate as students who are less committed and integrated to their university (Tinto, 1975, 1997) and less engaged at their university (Kuh et. al., 2008) are far more likely to not be retained. " (Predictive Modeling of First-Year Student Success Factors, 2010, Brent M. Drake)

Another analysis was conducted by Dr. Michael C. Davis, Associate Professor of Economics at Missouri University of Science and Technology, to examine 2008-2010 first-time student application data to determine whether there are indicators that can help predict success at point of application. The study was centered on conditionally admitted students. The analysis considered four measures of success: fall-semester GPA, enrolling for the spring semester, passing 12 credit hours in the fall and achieving a fall-semester GPA of at least 2.5. Using several models, results were mixed for conditional vs unconditional admits across various models applied.

"We have examined three different definitions of success and three different data sets, but the overall findings point to three key indicators of future success. The most important indicator of success would be superior performance in high school as evidenced by a higher high-school GPA. A second key indicator would be if the student is an in-state student. The third key indicator is an earlier application date. " (Analysis of Predictive Modeling of Student Success: Examination of Application Data, 2011, Michael C. Davis)

These findings were mirrored by a parallel analysis of conditional admits conducted by Dr. Brent Drake. Applying four regression equations, he concluded: *The four regression equations indicate that several pre-entry characteristics account for a statistically significant, albeit small, proportion of the variance in predicting the conditional students' first-semester academic success. Perhaps more importantly, the analyses indicate the dramatic improvement in first-year academic success for students who earn higher high school GPAs, who are Indiana residents, who are not Vigo County residents, and who are admitted to ISU prior to March 31st.* (Predictors of Academic Success for Conditional Admits, 2011, Brent M. Drake).

MapWorks Research

Research using MAP-Works data on the Fall 2011 cohort has been performed utilizing binary logistic regression analysis. This analysis was used to investigate the impact of academic and social factors on first to second year retention among fall 2011 First-time Full-time Bachelor's Degree Seeking freshmen at Indiana State University, and focused on factors that faculty and staff have a strong ability to affect.

The results of the binary logistical regression analysis are shown in the table below.

Variables	Beta
<i>Academic Factors</i>	
Fall 2011 GPA	1.17***
Satisfied with the Academic Life	.06
Hours Studying per Week	.004
Confidence with Math	.19
Confidence with Writing	.05
Non-Attendance at >1 Class (1/0)	-.51*
Know My Academic Advisor (1/0)	.31**
Decided major of interest (1/0)	.42*
<i>Social Factors</i>	
Satisfied with the Social Life	.12**
Hours Socializing/Relaxing per Week	.02
Intention to Participate in a Student Org.	.07*
-2 Log Likelihood	1877.45
Cox & Snell R^2	.26
Nagelkerke R^2	.35
Percent Correct	76.5%

* $p < .05$; ** $p < .01$; *** $p < .001$; + $p < .1$; $n = 1,877$ due to missing data.

For the *academic factor* items, fall term performance was a highly significant positive predictor of retention to year two. Knowing one's academic advisor was also a positive predictor as was non-attendance at more than one class by week three of the semester and having decided a major of interest (not necessarily formally declared). Satisfaction with the academic life, hours studying per week, confidence in math, and confidence in writing were not significant. In regards to the *social factor*

items, satisfaction with the social life was positively significant as was intention to participate in a student organization. Hours socializing/relaxing per week were not significant.

The results suggest on the academic side that classroom performance is especially important to not only student achievement, but student retention. While on one level this is intuitively obvious, it reminds how early struggle can escalate to the point where a student may feel powerless to impact their course performance. It is also clear that class attendance is important; an academic performance predictor that is certainly obvious to faculty. The study results reinforce on the academic side the importance of early outreach by advisors to advisees on matters of their academic schedule, but also more broadly in the arena of developmental advising (i.e., helping students to explore their educational and profession goal interests and how courses of study can help them to get there). Of the 2,055 students who completed the question of whether or not they knew their academic advisor, 715 indicated that they did not; 35% of the sample. With the advent of the new University College, this gap in connection is on track to be addressed, but nonetheless reminds on the importance of this engagement activity. Furthermore, the finding that students who had a generally good idea what they wished to study were retained at a higher level suggests the value of early opportunities to explore major possibilities as well as career fields for undecided students, but likely all students.

Additionally, it is clear that students benefit from engagement with the social aspect of campus life. Students who indicated an intention to become involved in a student organization at week three was a positive predictor of retention an entire year later. That kind of statistical relationship reinforces the need to expand opportunities for student organization formation and pathways to involvement. Previous MAP-Works research, as well as other studies of the ISU student experience, suggests that social engagement at ISU is uneven and that a sizeable number of students have some difficulty finding a way to “fit-in” and connect with others that share their common interests. ISU also has an historical reputation as a campus that has comparatively limited evening and weekend activities to engage students in social opportunities vis-à-vis at least some ISU peers. Opportunities at small, medium, and large scales for engagement of this type would likely have a positive impact on student retention.

Enrollment Model

The Strategic Enrollment Management Plan is focused on the retention and success of undergraduate students. An enrollment model has been developed to project total undergraduate enrollment by year and most specifically addresses first-time student retention, based on goals for new student cohort size and retention rate goals for these groups. The purpose of the model is to illustrate the impact changes in cohort sizes and retention rates will have on enrollment projections in future years.

If the University’s historically high growth in new, first-time student enrollments in academic years 2010, 2011 and 2012 continues at the same rate, the University could exceed its goal for total enrollment of 14,000 by 2017. To that end, new five-year goals for new freshmen and transfers have been established. For freshmen, a 4% goal increase in both the 2013 and 2014 classes is targeted, followed in 2015 and 2016 by 2% increases and finally a 1% increase for 2017. This slow deceleration in growth is intended to be compensated by an expected increase in freshman retention over the same time period, thus resulting in typical entering freshman classes of around 3,000 students.

Transfer growth each year between 2013 and 2017 has been newly established at 6% annually. This plan will result in the 2017 transfer student class having 250 more students than in 2012. A portion of the total transfer student growth is expected to be represented by distance education enrollments, which are anticipated to accelerate rapidly over the next decade and likely surpassing transfer enrollments on campus.

The new 5-yr goals for new freshman and new transfers are as follows:

Cohort Category	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Full-time, first-time Freshmen	2,774	2,884	2,941	2,999	3,029
New Transfers	791	838	888	941	997

Retention goals (through 2017) have been set for new first-time full-time freshmen and new transfer students and for retention of various sub-groups of new freshmen:

Cohort Category	One-year Retention Rates							
	Actual		Goals					
	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
First-time, full-time bachelor's degree seekers								
All	58.1%	60.6%	61.0%	63.0%	65.0%	67.0%	69.0%	70.0%
African-American	43.2%	51.6%	52.0%	53.0%	54.0%	55.0%	56.0%	58.0%
Pell Recipients	51.1%	56.5%	57.0%	59.0%	61.0%	63.0%	64.5%	66.0%
21st-Century Scholars	57.1%	56.6%	58.0%	60.0%	62.0%	64.0%	66.0%	68.0%
New BDS Transfer students	64.6%	65.2%	67.0%	69.0%	71.0%	72.0%	73.0%	74.0%

Informed by these goals for new student cohort size and retention rates of new undergraduates along with the anticipated percentage of all other undergraduates returning, the model results in total undergraduate enrollment of 13,350 by Fall 2017. Based on a goal of 3% annual growth in graduate students, the projected total University enrollment is 15,713 by Fall 2017.

Cohort description	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Full-time, First-time Freshmen	2,774	2,884	2,941	2,999	3,029
New Transfer students	791	838	888	941	997
Freshmen Returners	1,625	1,748	1,875	1,970	2,069
Transfer Returners	501	546	595	639	687
All Other Undergraduate Returners	4,998	5,343	5,728	6,148	6,568
Total Undergraduate Enrollment	10,689	11,359	12,027	12,697	13,350
New Graduate Students	416	429	441	455	468
Returning Graduate Students	1,683	1,734	1,786	1,839	1,894
Total Graduate Enrollment	2,099	2,162	2,227	2,294	2,363
Total University Enrollment	12,788	13,521	14,254	14,991	15,713

For more information, the enrollment model can be found at:

http://irt2.indstate.edu/ir/assets/sem/SEM_Plan_Enrollment_Model.pdf

¹ American Recovery and Reinvestment Act of 2009 found at www.opencongress.org/bill/111-h1/show

² Leaders & Laggards – A State by State Report Card on Public Postsecondary Education found at <http://icw.uschamber.com/reportcard/>

³ Information from Indiana Business Research Center found at <http://www.stats.indiana.edu/maptools/projections.asp>

⁴ Population Change by age group found at <http://www.ibrc.indiana.edu/ibr/2012/spring/article1.html>

⁵ For additional information see the College Board/WICHE publication: Knocking at the College Door. Pg. 78, found at http://wiche.edu/info/publications/knocking_complete_book.pdf

⁶ Source: Indiana Department of Education

⁷ Source: Graph and data are from Indiana Association for Collegiate Registrars and Admission Officers, Fall Enrollment Report 2011

⁸ Source: US News and World Report's 2012 Best National Universities Rankings from "Best-Colleges" survey. For additional information on ISU go to <http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities>

⁹ Annualized Enrollment data is from Indiana Commission for Higher Education (ICHE) Annual Enrollment reports.

¹⁰ Additional information available at http://www.icindiana.org/research/ICI_factbook_2011.pdf

¹¹ National Student Clearinghouse Student Tracker Service is a service that provides information on enrollment and degree data for member institution's freshmen student cohorts over time. Additional information can be found at <http://www.studentclearinghouse.org/colleges/studenttracker/>

¹² Data available at <http://chronicle.com/article/Interactive-Freshman-Class/129547/#id=151324>
IPEDS Fall Enrollment

¹³ Source: Indiana State University VP Business Affairs

¹⁴ Source: College Board – Trends in College Pricing 2011

¹⁵ Source: College Board – Trends in College Pricing 2010

¹⁶ Source: ISU Office of Registration and Records – Banner Class Schedule Tables

¹⁷ Source: How America Pays for College, Ipsos / Sallie Mae

¹⁸ Source: ISU IPEDS Financial Aid Survey

¹⁹ Source: ISU Office of Student Financial Aid

²⁰ Source: John Beacon, ISU Vice President, Enrollment Management, Marketing and Communications

²¹ Source: ISU Office of Institutional Research - Official Files

²² Source: ISU Office of Institutional Research - Official Files

²³ Source: ISU Office of Institutional Research - Official Files

²⁴ Source: ISU Office of Institutional Research - Official Files

²⁵ Source: ISU Office of Institutional Research - Official Files

²⁶ Source: IPEDS and National Center for Education Statistics at <http://nces.ed.gov/collegenavigator/>

²⁷ Source: AACRAO SEM Consulting

²⁸ Source: ISU Office of Institutional Research - Official Files

²⁹ Source: ISU Office of Institutional Research - Official Files

³⁰ Source: ISU Office of Institutional Research - Official Files

³¹ Source: ISU Office of Institutional Research - Official Files

³² Source: ISU Office of Institutional Research - Official Files

³³ Source: ISU Office of Institutional Research - Official Files

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