

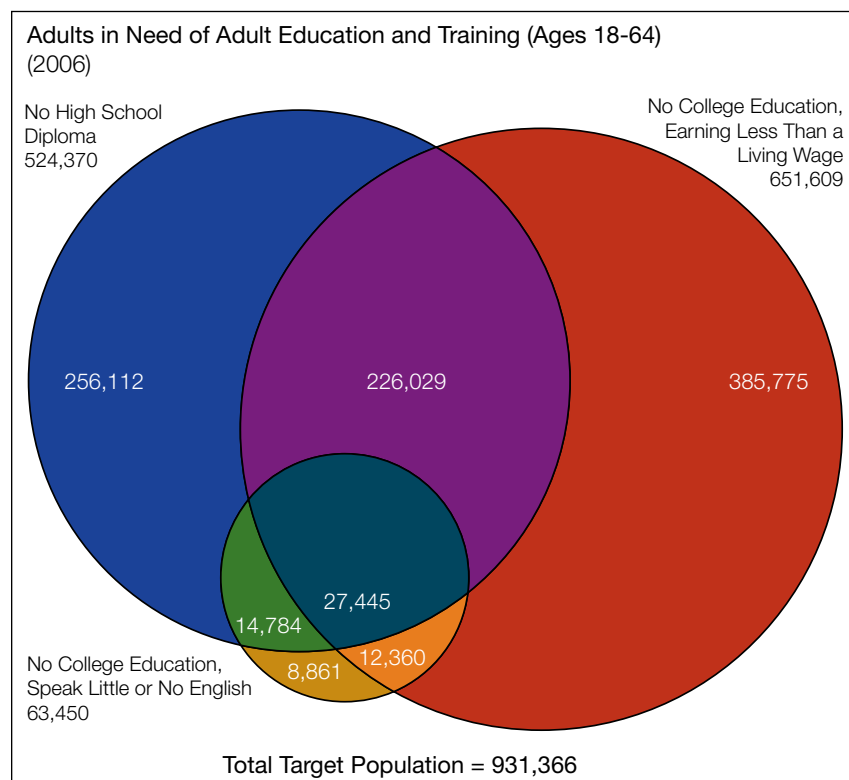
2025

DRIVER 1:
OUTSTANDING TALENT

Few items in this plan are beyond debate, but the need to invest in our people for their own well-being, as well as the state's future economic prosperity, is a given. In fact, developing human potential through education, training and exposure to new ways of thinking and doing things is of paramount importance, especially given current demographic trends. Much progress has been made over the past decade with more to come as the most recent reforms to K-12 education begin to be implemented. But, the results of reform are years away and Indiana regrettably starts from back in the field, dramatically behind other states (and nations) in educational achievement. The economic competition goes on and our goal must be to enhance our competitive position as rapidly as possible.

The K-12 education reforms of 2011 – school choice vouchers, charter schools, performance pay for teachers, collective bargaining restrictions and more – may rank as the most aggressive set of reforms ever passed by any one state in a single year. As such, there is much opportunity in coming years to transform and improve how K-12 education is delivered and achieved in Indiana. Yet, the breadth of those changes also brings risk, as our schools and their personnel adjust to a dramatically different environment, and as critics of these reforms cite every small hiccup or failure to justify their reversal. Thus, for many years to come – and possibly from now until 2025 – the greatest task in K-12 education may be the implementation of the sweeping reforms just passed.

Meanwhile, Indiana's adult population faces continuing challenges as the result of both a dramatically changing economy and



an educational system that has demanded far too little for far too long. According to research commissioned by the Indiana Chamber Foundation, more than 930,000 Hoosiers – nearly a third of our entire workforce – lack even the most basic skills to thrive in today's economy (see *A Demand-Side Strategy to Meet Indiana's Workforce Basic Skills Challenge*, 2005). And that number continues to grow each year, as an additional 20,000 young adults leave school without having earned a high school diploma. At the other end of the educational spectrum, Indiana also ranks among the lowest states in the percentage of adults with college degrees. We have made progress in recent years at getting a larger percentage of high school graduates to start college, but the completion rate of those students remains unacceptably low.

Demographic realities compound Indiana's dilemma: By 2030, nearly 18 percent of Indiana's population will be age 65 or

older, up from about 12 percent today; likewise, while the nation's workforce is expected to grow 10 percent over the next 20 years, Indiana's will "grow" only by one percent. In other words, there is a premium on the workers we have (and their skills) and the youths in our educational system today.

Thus, the future of our human capital demands substantial work at three broad levels: K-12, higher education and workforce development with an emphasis on the essential fields of science, technology, engineering and mathematics (STEM).

SUMMARY OF STRATEGIC GOALS:

- Increase the proficiency of Indiana students in math, science and reading to "Top 5" status internationally.
- Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.
- Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.

- Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.
- Increase the proportion of Indiana residents with bachelor's degrees or higher to "Top 10" status internationally.
- Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to "Top 5" status internationally.
- Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

K-12 Education

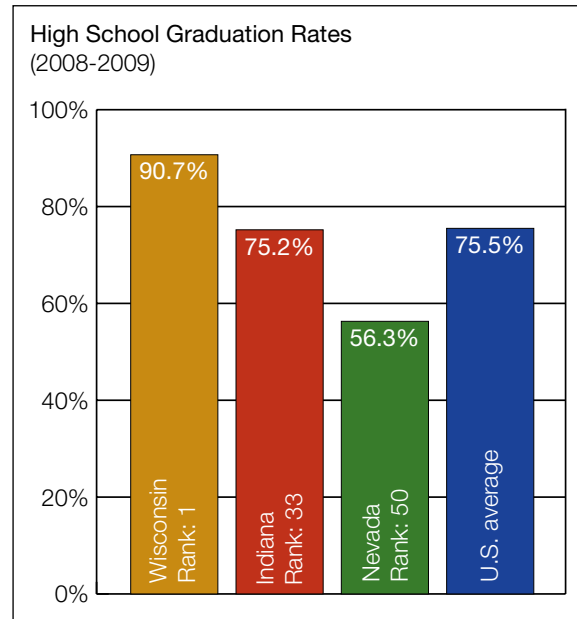
The comprehensive 2011 reforms mentioned previously are not the first time Indiana has been in this position. The reforms passed in 1987 as part of the A+ reform package were viewed similarly as a nation-leading effort. Yet by 1994, nearly all of those previous reforms had floundered, been scaled back or eliminated.

Thus, the highest priority at the K-12 level must be successful execution of the reform tools that have already been secured.

Strategies:

Ensure that every student has effective teachers

- Eliminate the policies and practices that treat teachers as commoditized labor (limited entry, common work arrangements and uniform pay scales) to create a new national model for a professionalized teaching force (open entry, creative work arrangements, accountability for academic results and pay based on performance).
- Focus training, accountability and compensation on content knowledge, especially in science, technology, engineering and math (STEM).
- Expand the academic focus of principals and other school leaders to reflect the instructional leadership roles that are critical to teacher and student success.



Ensure that every parent has quality options for the unique needs of their individual children

- Establish Indiana as the most welcoming state in the country for high quality charter, virtual and private school operators.
- Establish funding mechanisms and other state policies that recognize public education as an outcome, accomplished through various means, rather than a limited government-run institution.
- Create "educational enterprise zones" to attract and incentivize high quality school operators in regions with persistent failure and/or extraordinary achievement gaps.
- Create a dynamic set of options at the high school level (vocational training, dual credit, early graduation, etc.) to meet the college and work preparation needs of all students.

Ensure that our K-12 educational systems operate efficiently and productively

- Review and revise our statewide system of public school districts to reflect current population trends, modern transportation systems and expanding parental options.
- Improve the professionalism, transparency and accountability of local school boards.
- Insist on high efficiency in the business operations of our schools through statewide, inter-district and cross-sector partnerships, transparent accounting systems and leadership that possess the management and financial skills that are critical to district-level operations.
- Align state policies by having the Superintendent of Public Instruction appointed by the Governor

Ensure our international competitiveness by focusing on academic results

- Benchmark all performance expectations and results to international competition, and expand the transparency, availability and visibility of school performance data.
- Establish a math and science pipeline at the elementary and middle school levels that ranks among the top five states for academic outcomes and is internationally competitive.
- Transition from the current requirements of the Core 40 curriculum to Core 40 with Academic Honors and Core 40 with

Technical Honors, but with continuing revisions to ensure high quality college and workforce preparation.

- Accelerate the state's accountability system and remain diligent on intervention strategies, including state takeover of chronically failing schools and school districts.
- Develop and implement strategies for dramatically increasing student time-on-task to match or exceed international benchmarks, including lengthening the school day and year.
- Develop and implement a foreign language instructional initiative that is reflective of the state's strategic economic interests.

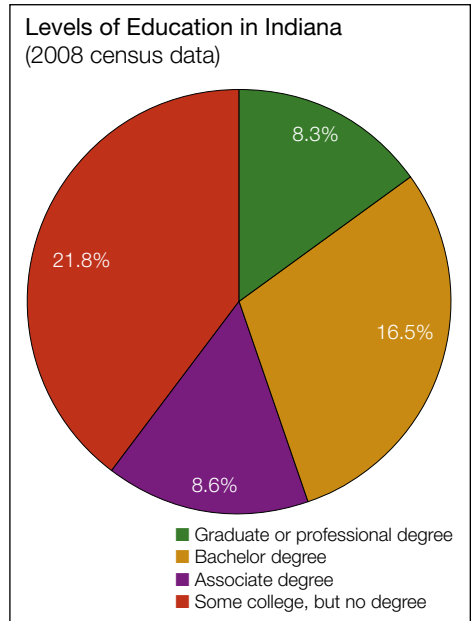
Higher Education

Indiana finds itself at the epicenter of a growing national dialogue on higher education reform. Much as it has evolved in the K-12 arena over the past several decades, higher education is under growing scrutiny to focus on completion rates, efficiency and productivity. Indiana's limited entry into performance funding represents one of the early movers in those efforts; yet, much more seems necessary.

The late development of Indiana's community college system (exacerbated greatly by an economy thriving previously on low-skill jobs) is just one of the reasons that the postsecondary attainment rate of Indiana residents ranks as one of the lowest in the country. But, as manufacturing jobs demand higher and more technical skills, and as new fields, like bio-sciences, continue to expand their importance, so does the importance of improving Indiana's postsecondary participation and achievement levels.

Ensure an efficient and responsive system to address our state's higher education needs

- Further the transition from a funding system based on prior-year funding and enrollment levels to a performance-based system providing funding for completion.
- Restructure state aid to incentivize on-time completion, pursuit of high-need degrees and continued Indiana residency.
- Restructure regional delivery of higher education to focus on completion and regional economic needs.
- Improve transferability of credits and degree completion by transfer students.
- Standardize assessments to ensure quality throughout the modalities of higher education and between and amongst institutions.



Workforce Development

The Indiana Chamber estimates that over 930,000 Hoosier adults – nearly a third of the state's entire workforce – do not possess the minimum basic skills that are demanded for success in today's economy. Thus, as work continues to improve the pipeline of workers through K-12 and higher education, significant attention must also be given to our incumbent workforce.

Like all other states, Indiana implements a range of training programs, funded mostly through federal sources that are designed to address this challenge. Yet, the state has no comprehensive plan for addressing the skills of our adult workforce, data on the performance of existing programs is very limited and accountability for outcomes is nearly non-existent.

Develop and implement a comprehensive plan for addressing the skills shortages of adult and incumbent workers

- Establish measureable goals and accountability targets by which to guide state and federal funds invested in workforce training programs.
- Complete the development of a dynamic, user-friendly data system for use in evaluating and guiding the continuum of K-12, higher education and workforce development programs.
- Restructure Indiana's adult education and workforce training systems to focus on career pathways leading to high need industries.
- Identify the 20 percent of Hoosier adults with some college but no degree and target that population with information and incentives for completing a high quality degree or employer-recognized credential.
- Develop marketing and other outreach tools to help current and future workers to understand their best employment opportunities and guidance for pursuing those opportunities.
- Create incentives for employer-based, employer-driven training opportunities.