



# Archived Information



A NATIONAL DIALOGUE:

## The Secretary of Education's Commission on the Future of Higher Education

### SUMMARY OF MEETING

April 6, 2006, Indianapolis

The Secretary of Education's Commission on the Future of Higher Education examined affordability and accreditation during the first day of their Commission meeting in Indianapolis, IN. The public meeting included lively and extensive question and answer periods and culminated in a working session that allowed commissioners to share values and common concerns as they prepare to submit their final report to Secretary Margaret Spellings in August. The Secretary has charged the Commission with developing a comprehensive higher education strategy that addresses America's future workforce and economic needs. Chairman Charles Miller, a private investor, opened the proceedings with his analysis of several issues. Below are excerpts from his remarks:

- **On expanding transparency:** "I see some leadership in the Academy, when a major university like MIT puts its whole coursework online for people to have, essentially, for free. That's a very transparent, very open, sign."
- **On restricting transparency:** "The Academy is slow to adopt technology, is fattening hierarchies rather than flattening hierarchies, and is generally resistant to transparency or performance measurement."
- **On financial aid:** "The clear indication from the various discussions [among the task forces and others] was that the federal system of financial aid is unnecessarily cumbersome and complex, confusing and counterproductive. It is a convoluted mechanism with painful consequences to the underserved members of society. It reduces economic mobility; it locks income inequality into place. How can we possibly say we have the best higher education system in the world while willfully allowing over \$60 billion annually in federal taxes to be spent so poorly? The answer is, we cannot."

Other commissioners attending: Dr. James J. Duderstadt of the University of Michigan; Ms. Gerri Elliott of Microsoft Corporation; Mr. Jonathan Grayer of Kaplan, Inc; Ms. Kati Haycock of The Education Trust; Dr. Arturo Madrid of Trinity University; Ms. Sara Martinez Tucker of the Hispanic Scholarship Fund; Dr. Robert Mendenhall of Western Governors University; Mr. Arthur Rothkopf of the U.S. Chamber of Commerce; Mr. Richard Stephens of The Boeing Company; Dr. Louis W. Sullivan, former U.S. Secretary of Health and Human Services; Dr. Richard Vedder of Ohio University; Dr. Charles M. Vest of the Massachusetts Institute of Technology; Dr. David Ward of the American Council on Education, and Dr. Robert M. Zemsky of the University of Pennsylvania. *Ex officio* members in attendance: William Berry, U.S. Department of Defense; Emily Stover DeRocco, U.S. Department of Labor; Sally L. Stroup, U.S. Department of Education; and Peter Faletta, U.S. Department of Energy.

### AFFORDABILITY

#### Remarks by Dr. Bob Dickeson, Executive Consultant & Former President, University of Northern Colorado

Dickeson, who moderated the Affordability presentations, noted that college costs have increased beyond inflation and beyond the typical family budget. This translates into an estimated 400,000 students per year who are excluded from postsecondary education and even those who do manage to attend school are mounting "historic levels of debt." He described financial aid programs as "confusing, overly complex, overlapping, and sometimes redundant." Proposed solutions to the affordability issue include increasing institutional efficiency; refining state and federal policies to broaden affordability, especially for low-income students; expanding alternative delivery systems to reduce costs and advance quality; and developing incentives for institutions to develop efficiency, limit costs, and lower tuition.

SUMMARY

### Remarks by Mr. Barry Burgdorf, Vice Chancellor & General Counsel, University of Texas System

Burgdorf characterized federal financial aid as “overly complex and the results are hard to measure,” and he illustrated his point by noting the variety of federal programs which are available to help students finance their education: Pell Grants, Supplemental Educational Opportunity grants, Federal Work Study, Perkins loans, Leveraging Educational Assistance Partnership, special programs for the military, Federal Family Educational Loan, Direct Loan and Federal PLUS. “Not only are the programs themselves numerous, application for them is unduly complex,” he said. “So, while you may not have a college degree, you may have to go to college to fill out the application.” Burgdorf asserted that the complexities create an “under-use” problem citing evidence that approximately 50 percent of undergrads did not fill out free federal aid applications in 2000 and 27 percent of all low-income students do not apply for aid. Regarding how financial aid can improve college access, his research demonstrates that grants improve access more than other forms of aid. He cited recent evidence which suggests that loans, work-study and tax credits improve retention and graduation rates. In the final analysis, fixing financial aid may mean taking the best parts from existing programs and blending them to create new programs that are easier to understand.

### Remarks by Mr. Jim Boyle, President, College Parents of America

In a recent online survey, finances were the primary concern parents have about sending their kids to college when they were questioned about their expectations of college-related issues, reported Boyle. He added: “Even families who are prepared are worried.” Boyle noted that while the percentage of students attending college has increased every year since 1970, the “frustrating lag time” in reporting education statistics may mean many young people are not graduating from high school or are deciding to forego higher education options. “What can be done to change both the growing perception and the growing reality that college may not be affordable?” he asked. Boyle suggested that parents “look in the mirror” regarding their readiness to pay premium prices for education and activities, adding that a demand for brand name institutions and upgraded facilities may be factors in spiraling tuitions. Many colleges see that parents are willing to provide their young adults with cars, cell phones, and other accoutrements during the school year. “Those who set (tuition) must think to themselves, ‘Oh, they (parents) won’t mind another few bucks per credit hour.’” Boyle recommended launching a national advertising campaign to boost college as a possibility to wary families; simplifying education fiscal policies (especially those that help taxpayers); and creating incentives for colleges to contain costs.

### Remarks by Dr. James Garland, President, Miami University, Ohio

Garland offered two global thoughts to the Commission on factors that have caused the price of post-secondary education to soar. First, he explained, it is caused by “fundamental economic and social forces,” including global competition, the

healthcare needs of an aging population, dysfunction in the inner cities, and the cost of maintaining America’s infrastructure. He continued, “My second premise is that these demands are not going away and only the most starry-eyed idealists would look into a crystal ball and see that these demands on public treasuries are going to diminish.” He believes that “the funding mechanism of public higher education is on a collision course with economic reality.” He offered a new paradigm for states to operate. He recommended that states privatize their campuses in the following way: instead of paying a subsidy to the institutions, which benefits rich and poor students alike, states would allocate public money through scholarships, primarily to middle- and low-income students. “In my scenario, roughly half of college-bound students would be eligible for the scholarships,” he said. This model is a means to curtail public subsidy on all students and give more money to the students who need it most.

### Remarks by Dr. Carol Twigg, President & CEO, National Center for Academic Transformation

Twigg described a national program in course redesign that challenged institutions of higher learning to reexamine their approaches to instruction, take advantage of information technology, increase student learning and decrease costs—simultaneously. . . The 30 projects at 30 schools around the country enrolled about 50,000 students and focused on large-enrollment introductory courses. Twigg reported that the results were encouraging: the redesigned courses reduced costs an average 37 percent, which translates into an annual saving of about \$3 million for the 30 courses under the program. “Also encouraging,” she said, “were the outcomes on the quality of student learning: 25 of the 30 institutions reported significant improvements in student learning.” At one school, the University of Alabama, a redesigned introductory course helped African American students outperform Caucasian students. “So it really raised all boats,” she said, “but it also had a particular impact on less-advantaged students.” She recommended instituting course redesigns and increasing the use of technology to create “win-win” outcomes.

### Remarks by Dr. Frank Mayadas, Program Director, Alfred P. Sloan Foundation

Mayadas attempted to dispel myths associated with online learning. The stereotyped image of a “lonely soul” struggling in front of a computer is no longer reality. “Nearly all accredited institutions that teach courses online do so in a way that takes the best practices from classrooms and puts them online,” he said. “The American workforce deserves the opportunity to improve skills and acquire new ones to have a fighting chance in this global economy.” Online courses are growing at about 20 percent per year. It’s estimated that three million learners will take at least one class online this year. Mayadas said after a course is created for online delivery, it is less expensive for the college to deliver to students in remote areas. An online curriculum also lowers the cost to the school because there is little infrastructure used, such as security and parking. He recommended that the federal government make financing available to the workers who want to develop and enhance their skills.

## ACCREDITATION

### Remarks by Dr. Carol D'Amico, Chancellor, Ivy Tech State College

Carol D'Amico chairs the National Advisory Committee on Institutional Quality and Integrity (NACIQI) which advises the Secretary of Education on matters related to accreditation and to the eligibility process of institutions of higher learning. D'Amico, questioned if the 15-member committee is involved enough in setting and examining standards for accreditation agencies. "One important contribution NACIQI can make is to challenge its constituents, the accreditation agencies, to think hard about the quality of their educational services and the accuracy of their vision of what education is today . . . I don't think we're doing enough of this, and consequently, accreditation is not, perhaps, what it can be." Currently, accreditation standards are tailored more towards traditional universities and community colleges are treated like a research university in terms of accreditation standards. D'Amico questioned: "How can the accreditation process help community colleges offer the kinds of educational experience that students need in their careers" as community colleges educate half of the undergraduates in the United States? Finally, why is it that accreditation bodies are not focused on issues like learning outcomes, graduation rates and can the public feel confident that accreditation bodies are assuring quality at our institutions?

### Remarks by Dr. Judith Eaton, President, Council for Higher Education Accreditation

Eaton congratulated the Commission on fulfilling its mission to engage the country in a national dialogue on higher education, including accreditation, which she called "a quite valuable asset." First and foremost, "accreditation assures academic quality," she said and it also "plays a key role in mobility when it comes to decisions about transfer of credit." She offered to the Commission an "accountability agenda" where "accreditation and higher education [institutions]. . . work together to strengthen our investment in evidence of institutional performance and student achievement, and most important, increase the prominence of this evidence in judgments about quality." With regard to increasing transparency, Eaton suggested that institutions target information to students on what they need to know and also for accrediting bodies to analyze what their responsibility is to the public in terms of providing more information about institutions. Higher education, like other segments of the American economy, is not immune from increased public pressure for increased accountability.

### Remarks by Ms. Kay Norton, President, University of Northern Colorado

Prior to her work at the University of Northern Colorado, Norton worked in the meat packing industry and, she observed "that there are many more parallels than you might imagine at first between the business of producing a commodity and that of organizing and delivering excellent post-secondary education." She posed the questions, how can higher education "achieve and prove world class quality" when there are not effective measures of student learning and outcome measures? Norton

said she is not asking the federal government to regulate the quality of education through internal accreditation; but, she said, "I do think that there is a clear responsibility on the part of the federal government to exercise some leadership in defining what an organization must demonstrate in order to justify access to those billions of dollars of federal investment in financial aid." Norton recommended that alternative and creative models be used in assessing excellence among higher education institutions. "Reward accreditation processes which do focus on outcomes for students and for society," she said, "and help us establish that value proposition that will keep the (U.S.) higher education unquestionably the best in the world."

## COMMISSION DISCUSSION

### Working Session: Commissioners' Shared Values and Key Strategies

Stephens lead a working session utilizing a process called "nominal group technique," which includes brainstorming and conceptualizing shared values. "The intent is to try to get alignment, so we can all agree what the items are," said Stephens.

#### Shared Values

- Higher education must contribute to economic prosperity, public health, social well-being, national security, and expanding the knowledge base.
- Higher education must be available throughout an individual's life.
- America's higher education system should be of high quality and affordable.
- The higher education system must provide world-class research, innovation, and knowledge creation and develop outstanding scientists, engineers, and other knowledgeable professionals; the system must develop a learning infrastructure necessary for the nation to sustain its leadership in a global economy.
- Higher education curricula must adapt to changes such as globalization technology, shifting demographics and a growing demand for lifelong learning.
- The American public must recognize that higher education is not a one-time event but rather an important and integral part of an individual's continued development to ensure success in an ever-complex and competitive global environment.

#### Key Strategies

- Increase access and success for low-income and minority adults.
- A national commitment for lifelong learning (workforce skills).
- A national commitment to needs-based financial aid.
- Double the number of critically needed, scientifically capable people.
- Increase institutional accountability and transparency for quality, and national investment in learning research and development.
- Make higher education more affordable, primarily for low-income and minority students and adults.
- Stimulate innovation in higher education.
- Develop a strategy to align K-12 and post-secondary education.