

U.S. DEPARTMENT OF EDUCATION

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A NATIONAL DIALOGUE: THE SECRETARY OF EDUCATION'S
COMMISSION ON THE FUTURE OF HIGHER EDUCATION

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PUBLIC HEARING

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THURSDAY, APRIL 6, 2006

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The Public Hearing was convened in Victory Ballroom of the Hilton Indianapolis, 120 West Market Street, Indianapolis, Indiana, at 9:00 a.m., Charles Miller, Chairman, presiding.

COMMISSIONERS PRESENT:

JIM DUDERSTADT
GERRI ELLIOTT
JONATHAN GRAYER
KATI HAYCOCK
ARTURO MADRID
SARA MARTINEZ TUCKER
BOB MEDNDENHALL
CHARLES MILLER Chairman
ARTHUR ROTHKOPF
RICK STEPHENS
LOUIS SULLIVAN
RICHARD VEDDER
CHARLES VEST
DAVID WARD
ROBERT ZEMSKY

EX OFFICIO MEMBERS:

WILLIAM BERRY
EMILY DEROCO
PETER FALETRA
SALLY STROUP

STAFF:

DAVID DUNN Chief of Staff

CHERYL OLDHAM
ELEANOR SCHIFF
VICKIE SCHRAY

Executive Director

PRESENTERS:

BOB DICKESON

Consultant; President Emeritus,
And President Emeritus,
University of Northern Colorado
Vice Chancellor and General
Counsel, University of Texas
(System)

BARRY BURGDORF

JIM BOYLE

President, College Parents of
America

JAMES GARLAND

President, Miami University,
Ohio

CAROL TWIGG

President and CEO, National
Center for Academic
Transformation

FRANK MAYADAS

Program Director, Alfred P.
Sloan Foundation

CAROL D'AMICO

Chancellor, Ivy Tech State
College - Central Indiana

JUDITH EATON

President, Council for Higher
Education Accreditation

KAY NORTON

President, University of
Northern Colorado

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ADJOURN

P-R-O-C-E-E-D-I-N-G-S

(9:00 a.m.)

CHAIRMAN MILLER: I'm Charles Miller, Chairman of the Secretary's Commission for the Future of Higher Education, A National Dialogueue. Speaking for the Commission, we're pleased to be here in the great state of Indiana, and this great city. We do not think we'll cause quite as much excitement as you did when you have the Final Four, but will try to do as best -- the best we can.

We have a very, very strong agenda today and tomorrow. We will do our best to stay on time. The panel's instruction would be to talk for a certain period of time with the topics already spelled out, and then a 10 minute question and answer period from the Commission. We ask you to stay at the table, there, with the other Commission -- panel members, but if you need to get up or need to leave for whatever reason, feel free to do that. After each presenter we'll have about that 10 minute period. We don't have period set of time -- set aside after that. At the end of the day, today, we're going to have an hour for the Commission, itself, to have a discussion, and it is going to be moderated by one of our Commissioners, Rick Stephens, so we're going to have sort of a free-for-all period. You're all welcome to come and

1 participate with that time period.

2 I'd like to thank the staff of the
3 Commission for doing the hard work to get us set up in
4 places like this, and the policy team we've put
5 together that's begun to put out in the issue papers
6 that you seen. Well, that's a late arrival, and it's
7 kind of in a rush, those are put out partially to get
8 the public engaged a little bit more, to set the stage
9 of the table for the time when and if we make certain
10 recommendations, not to actually drive those or set
11 the recommendations in place. Some of the people that
12 wrote those were asked to make some final conclusions
13 and if any recommendations are in there, they only
14 represent the idea of the writer. We're going to have
15 a few more of those in the next week or two. There
16 will probably be one shortly on Adult Education or
17 Workforce -- that's not gone out yet, right? There's
18 another one coming on accreditation, because we --
19 there was a meeting hosted last week in the Department
20 of Accreditors from around the country, and that's
21 going to be a summary of that meeting and maybe some
22 recommendations from those people. We have one coming
23 on academic medicine, our other work with the
24 Commission hasn't done -- hasn't addressed that and
25 it's a major part of higher education. Dr. Sullivan
26 and I talked about that some weeks ago, and Ms. Schiff

1 has put together a paper -- I think an excellent paper
2 that will go out in the next few days, that relates to
3 things like the shortage of doctors and nurses like
4 we've talked about the shortage of other highly
5 professional people. There will probably be some kind
6 of paper on regulations, if we can get that done.
7 It's been something on our front burner and back
8 burner for some time, frankly it's very hard to do
9 because identifying regulations that affect higher
10 education is pretty hard from a central place to --
11 because most of those regulations come from other
12 places other than the Department of Education, but we
13 are going to have something out on that and I'm sure
14 the Commission will want to weigh in on that question.

15 There's been a lot of discussion with me
16 and others recently on the process we're engaging in.

17 After the meeting today we have one more currently
18 scheduled meeting in Washington, DC. That meeting has
19 an open agenda, we have unlikely any outside
20 presentations to come. By that time we'll have some
21 things in writing among the Commissioners that might
22 begin to lead toward parts of a report or
23 recommendations, but that's still an open issue. I
24 had some encouragement to consider an additional
25 meeting or two, that would be June or July. I'll take
26 a poll of the Commission after these meetings are over

1 in early next week to see what their preferences would
2 be. We've got about four months to get a report done
3 August 1. I don't know what the real world release
4 date of the report will be, it could take another
5 period of time after the Secretary gets that copy to
6 put it together and put it in a format and deliverable
7 so -- enough of an audience, but I'd say by September
8 that report would and should be complete. I think
9 we've done a lot of the early digging, a lot of the
10 early preliminary work that the Commission can spend
11 the rest of the time getting to its final conclusions.

12 There are some goals that we've worked on
13 that people keep talking about, but I'd like to point
14 out that when the Secretary set up the Commission she
15 did define some goals. We've begun to address those
16 but the definition of access, affordability,
17 accountability and quality are, in a sense, a goal
18 statement. You want an accessible, affordable,
19 accountable, quality system, and I added that in the
20 early Nashville meeting, added to that and put some
21 qualifiers and adjectives together that made,
22 essentially, like, a goal statement. We'll probably
23 head that way, but we may, as we make our final
24 recommendations, work a little harder on that and then
25 there have been comments about defining principles to
26 which we respond to make recommendations. I'm not

1 sure, there, we've been quite as much together in that
2 same direction. Some of those that I want to work on,
3 and you'll see more of that today, include things like
4 transparency and disclosure versus the alternative,
5 which is secrecy or privacy, if you say that.

6 It's a principal that I understand from
7 the capital markets. It's a principal that allows
8 people to function with the most autonomy, if you have
9 accountability with transparency than any other
10 method.

11 I see some leadership in the Academy, when
12 a major university like MIT puts their whole
13 coursework online for people to have, essentially, for
14 free. That's a very transparent, very open, sign, and
15 then we see that in many other parts of information
16 today. So, that's a principal, for example, that I
17 think we would like to identify.

18 I've heard some comments about looking at
19 higher ed. in different segments, the community
20 colleges are different from the research universities
21 and so on and you can break those down into
22 subsegments. That's the place where I have had some
23 personal doubts or disagreements, and here's why, and
24 that's -- this is for future discussion. I think
25 segmentation probably happens in almost any
26 environment, any market, and I think it does happen in

1 higher ed, but intends to require that you look
2 backwards. If you start segmenting your principles
3 and segmenting your conclusions and your
4 recommendations, you're doing it based on the current
5 status of the system, and I think that locks you into
6 place. So I think, actually, that's not a good way to
7 address that. We need to look for broader principles
8 that affect all of higher education, strategic
9 principles, and I think that I think we'll head that
10 way.

11 One of the things that comes out of
12 transparency and disclosure is a matter of trust,
13 trust with each other and public trust, and we're in a
14 place now where this possibility of less of that for a
15 variety of institutions, and out of trust comes
16 collaboration, and I think one of the principles that
17 we will come out with will tend to lean on
18 collaboration because of what the changes are in the
19 way we communicate and the like, and because of
20 redundancies or repetition or places where we use
21 resources that are wasteful. And so, to have
22 collaboration, you need trust to have trust you need
23 transparency, so that is the kind of principal,
24 personally, that I think I would like us to focus on.

25 Having said that, and I'm for personal
26 freedom, and that's part of that too, I'm going to

1 make some opening remarks. Those are the process
2 comments that I wanted to make.

3 In an information age, when the saying
4 "We're all connected," is not a new-age phrase, where
5 newspapers are being offered free to compete with
6 major dailies, where blogging and search engines are
7 as ubiquitous as air and water, wherein the process of
8 teaching and learning and conducting research, the
9 academy is slow to adopt technology, is fattening
10 hierarchies rather than flattening hierarchies, and is
11 generally resistant to transparency or performance
12 measurement, danger lurks. With the confluence of
13 factors such as global competition with rapid advances
14 and biological sciences, with new information and
15 communications technologies, with fiscal pressures on
16 the governments of all industrialized nations, with
17 the rapid and sustained increases in prices and costs
18 of higher education in the United States, with the
19 accelerating demand for places and limited new
20 capacity in its traditional form, higher education has
21 entered a critical period, the kind of circumstance
22 which can lead to abrupt changes in public support,
23 and where radical changes can be forced on the Academy
24 by policy decisions made more urgent due to the
25 historical lack of a long-term strategic view and lack
26 of responsiveness of the institutions -- and, when I

1 wrote that, I went back to replace those words "higher
2 education" and put in "healthcare" 15 years ago, and
3 it's virtually the same set of statements.

4 We have responded to healthcare poorly, we
5 didn't have a strategic view. We've done a lot to
6 increase costs and problems, but we haven't solved
7 them yet. And, the need to address what isn't working
8 is critical at this stage, in my opinion.

9 We've been assembled by Secretary
10 Spellings to help develop a strategic view and if we
11 can produce that or help produce that that would be an
12 accomplishment that we didn't do in the field of
13 healthcare and in other areas.

14 We call ourselves the best in the world.
15 We've all heard that the United States education
16 system is the best in the world. Some of the
17 presentations today and tomorrow will test that claim,
18 or, even if it's true, which I believe it to be
19 throughout, in any form, any part of the higher ed.
20 system, it probably is the best in the world. These
21 presentations will tend to point out that being the
22 best in the world is not good enough. It should be
23 clear that we're not yet good enough for the future we
24 face today.

25 There's also a distinction often made
26 between public and private, and here's another

1 principal I'd like to see get into the discussion.
2 We've all heard about those distinctions, public and
3 private colleges and universities. In reality,
4 research shows that 25% of funding for so-called
5 private colleges comes from the federal government, on
6 average, and in addition, substantial state and local
7 support and tax benefits accrue to private
8 institutions.

9 When we discuss issues about affordability
10 and accountability, isn't it time that we consider all
11 colleges and universities are public institutions and
12 require a standard of transparency and disclosure that
13 use of public funds must demand? Instead of
14 privatization in the world as we have it today,
15 haven't we arrived at publicization of colleges and
16 universities?

17 Today we're going to cover some financial
18 issues. One theme that was constantly ingrained in
19 the Task Force on Access and Affordability and Quality
20 Task Forces was financial aid. Throughout discussion
21 in each of our task forces, the issues of costs,
22 needs, access and affordability were turned repeatedly
23 to financial aid, to allowing those who want to grow
24 and learn to have the opportunity to do so without
25 regard to financial status. This has been a strong,
26 consistent undercurrent of -- there has been a strong,

1 consistent undercurrent of this theme.

2 The clear indication from the various
3 discussions was that the federal system of financial
4 aid is unnecessarily cumbersome and complex, confusing
5 and counterproductive, and in concise summary, it is a
6 convoluted mechanism with painful consequences to the
7 underserved members of society.

8 In a roadblock -- it is a roadblocked
9 opportunity. It reduces economic mobility, it locks
10 income inequality into place. How can we possibly say
11 we have the best higher education system in the world
12 while willfully allowing over \$60 billion annually in
13 federal taxes to be spent so poorly? The answer is,
14 we cannot.

15 It would seem plausible to the great
16 nation of the world's economic leaders -- should
17 design a financial system with the following
18 principles -- here's principles again -- simple,
19 student friendly, fair and generous. How can we not
20 do that? Why could we not do that?

21 A major hurdle with dealing with the
22 problem is the size and complexity. It's impossible,
23 in my opinion, to fix the current system in the
24 traditional political manner. That process usually
25 ends in a strongly -- in strongly divided camps, long
26 labor debates, resulting in some tweaking without

1 dealing substantially with basic laws in the financial
2 aid system. What is needed is a conscious effort to
3 step back from the current system, to define those few
4 clear goals, and to restructure it entirely. Need-
5 based, simple, student friendly, fair and generous.

6 And affordability -- another theme which
7 has risen consistently in Commission discussions has
8 been the overall affordability of the higher ed.
9 System. In the current model, can we, as a society,
10 afford to have brought access to a higher quality
11 education with the current model of operation and
12 finance? With expenditures, or total costs, rising
13 consistently faster than family income or general
14 inflation, isn't that a signal of an inefficient
15 system? Isn't that a collision course with economic
16 reality? A collision we cannot afford to have?
17 Without productivity improvements and more efficient
18 models of delivery, are we not destined for decline or
19 failure?

20 We're going to focus on finances today
21 with a strong panel on affordability, including
22 financial aid, moderated by Bob Dickeson. On
23 accountability and accreditation, the system of
24 accountability designed by and for colleges and
25 universities is accreditation. It's a complex system
26 designed to measure the quality of educational

1 institutions. It's not widely understood outside of
2 the Academy. That's why we're trying to put some
3 things in the public's hands with these issue papers,
4 yet it has great influence. It's very costly and
5 creates a *de facto* self-regulatory regime. It's
6 essential to higher education, yet, to some, it's
7 burdensome, focused too much on inputs rather than
8 outcomes, and it limits innovation.

9 The Commission is bringing these issues to
10 the surface and has been assisted by a very responsive
11 accreditation community. The excellent panel on
12 accreditation moderation will be moderated by hometown
13 leader Carol D'Amico. Thank you.

14 Bob, ask the panel to introduce themselves
15 as they speak.

16 DR. DICKESON: Will do, Mr. Chairman.
17 Thank you very much.

18 Members of the Commission, we'll shift now
19 to the discussion about affordability. The
20 Commission, of course, has been tackling this issue
21 from the outset as the Chairman indicated. You have
22 been treated to scores of research reports and
23 analyses. The Task Force on Accountability, co-
24 chaired by Drs. Vedder and Zemsky tackled this subject
25 in great depth and with great thought.

26 The topic is clearly central to our

1 understanding of higher education now and in the
2 future. The facts that undergird the problem are
3 really not in dispute.

4 College costs over the past two decades
5 have risen beyond either inflation or the capacity of
6 families to afford them. Because of price, many
7 students, some estimates as high as 400,000 per year,
8 are being foreclosed from attending postsecondary
9 education. Of those who do attend, many students are
10 mounting up historic levels of debt.

11 Many costs cannot be justified. Things
12 like undue competition among institutions for students
13 that result in unwise tuition discounting,
14 institutional budgets that shortchange instruction and
15 needed student services in favor of amenities, and
16 cost shifting to students to improve institutional
17 bond ratings.

18 Taxpayers pay for a sizable portion of
19 these mounting costs through subsidies and programs
20 and the numerous financial aid programs, as Charles
21 just mentioned, represent a system that is confusing,
22 overly complex, overlapping, and sometimes redundant.

23 So, even though the facts may not be in dispute, the
24 solutions to these complex problems are more difficult
25 to come by.

26 Today's discussion will include

1 presentations by five leaders from a variety of fields
2 who will share their perceptions and their proposed
3 solutions for your consideration. As the Commission
4 continues its discussion on affordability, it's useful
5 to identify, I think, the categories of solutions that
6 typically surface, and there are four: first,
7 improved institutional practices that would result in
8 lowering of costs; second, improved state and federal
9 policies that would improve affordability,
10 particularly for low-income students; third,
11 alternative models of delivery of postsecondary
12 education that would reduce costs while improving
13 quality; and, finally, developing incentives for
14 institutions to improve efficiency and productivity,
15 contain costs, and pass along the resultant savings in
16 the form of lower tuition.

17 Speaking about incentives, I was somewhat
18 interested in a report that came out a few days ago
19 from Moody's, the investor service that does the bond
20 ratings of independent institutions, and their report
21 concluded that even though institutions have seen a
22 drop in median revenues from gifts, this was not a
23 trend that was a great concern "because the colleges,
24 as a whole, were able to stabilize their financial
25 picture by increasing tuition and fees." The median
26 for net tuition collected per student by the colleges

1 was \$15,510.00, an increase of 5.3 percent over the
2 previous year. Net tuition is the amount of tuition
3 revenue left after spending on financial aid.

4 "There is still strong demand for higher
5 education and people are willing to pay the price.
6 Their operations are healthy because they're able to
7 pass along the tuition increases." That is not an
8 incentive, that is a disincentive and I think we need
9 to be addressing that as well.

10 In the interest of time, I will not
11 introduce each of the presenters in terms of their
12 biographical information that is contained in the
13 notebook. Each of them is distinguished leader in his
14 or her own right, and brings to the table significant
15 experiences, education, energy and enthusiasm to the
16 particular task.

17 We will follow the format of 10 minutes
18 for each presentation and then a 10 minute period
19 after each presentation for questions and answers and
20 discussion among Commission members.

21 Our first presenter is Barry Burgdorf, who
22 is the Vice Chancellor and General Counsel of the
23 University of Texas System, and he and his colleague,
24 Kent Kostka, was also in the audience, co-authored
25 this very compelling paper on eliminating complexity
26 and inconsistency in federal financial aid programs.

1 And, I'll turn it over to Barry at this
2 point.

3 MR. BURGENDORF: Bob, thank you very much.
4 Chairman Miller, members of the Commission, thanks for
5 having me here today. It's an honor to be able to
6 talk to you about this important subject. My task
7 here today is to talk to you, as Bob said, about the
8 complexity of our current system, and I use the word
9 "system" because it is a system, it is an omnibus
10 program with many features of federal financial aid
11 for students of higher education.

12 I want to start by just making a couple
13 points about myself which may give a little bit of
14 insight as to how I came about this. I'm not an
15 expert in this field, I'm not a scholar, I haven't
16 studied the ins and outs of all the different
17 programs, I don't daily deal with it, although my job
18 as the head lawyer for UT System does require me to
19 interact with it on many occasions in many different
20 was.

21 I'm somewhat new to higher education. I
22 took the job as Vice Chancellor and General Counsel of
23 UT System 15 months ago. So, I think what that means
24 is I came at it with not a lot of preconceptions, not
25 a lot of ideas in mind of what it was, but really
26 tried to take a very fresh look at it. I last tried

1 to take a very high-level look at it. Again, I did
2 not get into the details for this purpose of the
3 different programs, I took the 10,000 foot view of
4 what are we doing, what is the effect of this system
5 on higher education, and what results are we getting
6 out of it?

7 So, with that in mind, my message actually
8 is pretty simple: The system is overly complex, the
9 results are hard to measure, and I don't think we're
10 incenting the things we might want to incent by this
11 program.

12 The first point is, as you probably all
13 know, the federal government throws a lot of money
14 into the federal financial aid system. According to
15 the DOE website, \$78 billion a year in the form of
16 loans and grants go into the system. That's about 60
17 percent of the total of \$130 billion. That does not
18 include private loans, that does not include tax
19 incentives, which I'm going to talk a little bit
20 about, also.

21 So, it's a massive program and it has
22 built up over the years, and that has led to quite a
23 bit of complexity. So, first of all, let's look at
24 that complexity.

25 The analogy that I like to use is the tax
26 code. I think that gives you the visual picture of

1 what we're facing here. It grew up over time, as I
2 said, features were added by special interest groups
3 over time, and it really doesn't appear to be geared
4 toward an overall policy. So, what we're left with is
5 a patchwork of programs, complex and confusing
6 programs.

7 Bear with me a moment, I want to list for
8 you just the programs that DOE is involved in, the
9 Department of Education. There are other federal
10 actors in this system. We have Pell grants, we have
11 Supplemental Educational Opportunity grants, we have
12 Federal Work Study programs, we have the Perkins loan
13 program, we have the Leveraging Educational Assistance
14 Partnership, we have special programs for members of
15 the military, we have Federal Family Educational Loan
16 programs, we have a Direct Loan program, we have a
17 HOPE Scholarship Credit, we have a Lifetime Earning --
18 Learning Credit, we have Federal PLUS Loans, we have
19 Coverdell education savings accounts (Education IRAs),
20 we have above-the-line tuition deductions, we have
21 tax-free employer-provided educational benefits, we
22 have student loan interest deductions, we have 529
23 savings plans, and we have penalty-free IRA
24 withdrawals, and that is not to mention other programs
25 that relate to forgiveness of student loans, *et*
26 *cetera*. Right there, that tells you that we have

1 quite a bureaucracy of programs in place that we're
2 dealing with.

3 Not only is the programs themselves
4 numerous and all-encompassing, application for them, I
5 think, is unduly complex. I hold in my hand what is
6 called the FAFSA, the Free Application for Student
7 Aid. Now, this is an improvement. This is a
8 simplification of what we've seen in the past, but
9 still, it's an eight-page document that requires quite
10 a bit of work to fill out. In fact, it is accompanied
11 by a note on the front which says if you can't do it
12 yourself, go see the college you want to attend to
13 help you fill it out. So, while you may not have a
14 college degree, you may have to go to a college to
15 fill out the application. That's ironic and somewhat
16 humorous, but I think it is very telling about where
17 we are in this program. Much like you sometimes need
18 H&R Block to fill out your tax form, you need help to
19 fill out this form, too. So, it really is, in many
20 ways, like the tax system, and as I said, there's a
21 lot of money going into it.

22 So, that creates a couple of problems.
23 First of all, it creates an underuse problem. Here
24 are some recent statistics on the underuse of the
25 federal financial aid program: Only 50 percent of all
26 undergrads have filled out the free application in

1 2000. This has gone up slightly to about 59 percent
2 in recent years; however, recent statistics show that
3 one in -- in 2003, 1.8 million low- and middle-income
4 students did not apply who would have been eligible to
5 apply. Twenty-seven percent of all low-income
6 students do not apply for any kind of aid. 850,000
7 students who would have been eligible for Pell grants
8 did not apply. And, the research would indicate that
9 this really is due to the complexity, the confusing
10 and complex forms, the belief that these eligible
11 folks are, in fact, not eligible, a belief -- a
12 widespread belief that there is a merit-based
13 component to it, and it's not merely a need-based
14 program, and a belief that the documentation and
15 ongoing requirements are too difficult. And, finally,
16 there is some evidence to show that especially for
17 split families, families with divorced parents, that
18 the documentation process is exceedingly complex for
19 those folks. So, we have an underuse problem.

20 I think we also have a problem in that the
21 system, because of its complexity, because of the
22 overlapping programs, because of all those programs I
23 listed, we don't really get a lot of meaningful data
24 on how the program is affecting students' --
25 prospective students' behavior. Is it increasing
26 access? Is it creating retention? Is it influencing

1 their choice of colleges? Where is it placing them on
2 the spectrum? Are folks using the system who are --
3 for example, they would have gone to college anyway,
4 but instead, they're going to a more prestigious
5 college because of the program? Are we really getting
6 kids into the system who would not otherwise be in the
7 system?

8 Those kind of hard data points are hard to
9 come about because of the system and the programs;
10 however, there are a couple general lessons that I
11 think we can pull out of the information that's out
12 there.

13 It does appear to be the case that if
14 you're trying to improve access, grants do a better
15 job of that than the others. The evidence would
16 indicate that work study programs do not improve
17 access, loans do not improve access -- and, by access,
18 I mean, the choice between not going to college and
19 going to college at the very basic level -- and tax
20 credits also do not appear to improve access. Of all
21 the programs out there, it appears that grants are --
22 is the only one that actually will improve access.

23 On the graduation and retention front, the
24 evidence would indicate that loans do improve
25 retention and graduation rates, and work study
26 programs do improve retention and graduation rates,

1 and finally, tax credits do help retention by reducing
2 the cost and keeping students from leaving school
3 early because of the inability to pay expenses once
4 they're here -- once they're there.

5 As I said, it looks like grants are the
6 one things that do improve access, but if access is
7 your goal, then the next statistic is one that doesn't
8 sound too good. In the 1970s, the Pell grant, the
9 major grant program of the ones I listed, covered 84
10 percent of the cost of a four-year education at a
11 public university. Today, it covers under 40 percent.

12 So, the Pell grant, while in absolute terms, there's
13 been increased funding for Pell grants, the actual
14 inflation-adjusted buying power of the Pell grant
15 program has gone down by at least half.

16 So, there are those problems, too,
17 however, it's clear we do have some tools, as these
18 statistics point out. We have some tools in the
19 program that could be used to create incentives, to
20 facilitate access, or to motivate retention, but
21 again, it's not harmonized at this point to do that.

22 I guess I want to close my brief time by
23 just talking about the fact that we know we have
24 tools, we know we have some abilities to incent folks,
25 we know the system is overly complex. If you look at
26 education a bit like a marketplace, and I understand

1 it's not your average marketplace, it's got a lot of
2 influences which make it un-marketlike, but it does
3 have marketlike characteristics. You have a lot of
4 different types of buyers coming into that system.
5 You have kids who knew they were going to college from
6 the time they could walk. You have kids who are first
7 generation college kids, or prospective college kids.

8 You have lots of different types of buyers. The
9 questions, I think, to be answered with the federal
10 student aid program are: How are you going to
11 influence those buyers, and what kind of students do
12 you want them to be? Do you want them to be students
13 that can come and easily afford college and stay in
14 for four years and graduate and get the degree? Do
15 you want to affect those retention things? And, once
16 there is an overall policy decision made about what we
17 want our access goal to be, what we want our retention
18 goals to be, then a program can be put in place which
19 will serve those goals. And, when that program is put
20 in place, hopefully, we can see a great simplification
21 of it, make it more user-friendly, make it more a
22 system which will very clearly signal to the
23 marketplace, "here's how you do it, here's what it
24 does for you, and here's what we expect of you when
25 you take advantage of these programs and enter
26 college." And, in that respect, I think we'll get a

1 lot more bang for our \$78 billion a year than we're
2 currently getting. Thank you.

3 DR. DICKESON: Thank you, Barry.
4 Interesting issue, great description, a suggestion, I
5 read, to consolidate, integrate, and set goals.
6 Questions from the members of the Commission for
7 Barry?

8 COMMISSIONER DUDERSTADT: In the two
9 public hearings that we've --

10 DR. DICKESON: Jim?

11 COMMISSIONER DUDERSTADT: -- held in
12 Seattle and Boston, the overwhelming message we heard
13 was from students about the increasing burden of
14 federal loans and their own ability to have an
15 opportunity for a college education and the kind of
16 burdens they carry afterward. From that testimony,
17 which was covered by an enormous number of people
18 coming forward, my conclusion would be that this is a
19 system that's impossible to fix. In fact, you may
20 need to start over with a blank slate because the
21 forces, whether they be in the commercial sector or on
22 the Hill, are simply so powerful. Do you have any
23 sense as to whether this is fixable or not? Can those
24 issues that the students raised be addressed?

25 MR. BURGDORF: Well, I guess I would
26 include in my definition of "fix," starting over, and

1 that may, indeed, be the approach. I realize, as
2 Chairman Miller indicated, those kind of fixes are
3 extraordinarily difficult on a political level, much
4 like the tax code is hard to reform. There are a lot
5 of vested interests in the current program, there are
6 a lot of outside constituents which have a vested
7 interest in maintaining one or the other programs.
8 Each of those programs I listed grew up over time with
9 different folks supporting it, different interests
10 supporting it, and you're going to have to deal with
11 those folks if you try to consolidate their program
12 into another. That's clear. It's not an easy job.
13 But, you know, I think something very good could be
14 accomplished if you took the -- you know, the best
15 features of some of those programs and then wrapped
16 them into some new programs which are a lot simpler
17 and a lot easier to understand.

18 Your point about the debt burden is true,
19 too, and I have a lot of statistics on that, but, you
20 know, the current system is also creating folks who
21 graduate with a large debt burden, and that becomes an
22 issue. I know we're here about higher education, but
23 it becomes an issue for graduate degrees -- you know,
24 there's a real disincentive to pursue more education
25 when you've already got a, you know, \$50,000.00 in
26 student debt from your years as an undergraduate.

1 And, what happens to folks, later in life, who are
2 starting families and having kids and buying houses?
3 And so, that debt burden we're placing on the students
4 is something that might be thought about, also.

5 DR. DICKESON: Chuck?

6 COMMISSIONER VEST: Both in Chairman
7 Miller's opening statement and, sometimes implicit,
8 sometimes explicit in what you said, Barry, is a set
9 of positive statements about need-based grants as a
10 cornerstone of what a good federal program should be,
11 that grants, in fact, are known to improve access.

12 As someone representing, in my work, a
13 private institution, I've raised a lot of money for
14 scholarship funds over the years, and inevitably,
15 donors say "I am giving this money to the institution
16 because when I went to school, I could not have
17 afforded it if somebody hadn't helped me with a
18 scholarship. I want to help the next generation."

19 That equivalent statement does not very
20 frequently enter the public debate about the federal
21 role, so my question is, do you have a sense that
22 there would be a public will, a public understanding,
23 to view the primary mission of federally-based
24 financial aid to be more a charitable good?

25 MR. BURGENDORF: I don't have any hard
26 statistics for you on that. I can tell you, my

1 impression is that if you did a Gallup poll to
2 taxpayers, most would rank that as one of the major
3 things that we're trying to do with federal financial
4 aid, that we're trying to get more folks in college
5 and get them in college in a way that will make it
6 easier for them financially, and the societal
7 expectation, of course, is a payoff of a person who,
8 for the next 40 or 50 years of their productive life,
9 will pay taxes, will meaningfully contribute to the
10 community, and obviously, I think it somewhat goes
11 without saying that someone who has a college
12 education has a lot greater ability to do that, and I
13 think that most folks do recognize that as a goal of
14 the program.

15 One of the ideas that I latched onto, just
16 into my own mind, looking at this, is that if you talk
17 about people who -- if you talk to people about why we
18 have federal financial aid for higher education at
19 all, one of the goals, as we just discussed, is
20 getting people in college and getting them there in a
21 way that's affordable, but they also want a sense that
22 there's an earning that goes on there, that there is -
23 - that the person who receives that does something in
24 return, and, you know, one of -- and, it's clear from
25 the research that does exist that grants create
26 access, so, one idea that I came up with, just kicking

1 about it in my own mind, was that -- make the grant,
2 but it's forgivable -- it's -- call it a loan, but it
3 becomes a grant as you complete hours of college
4 credit. You earn that into an actual gift over time,
5 over the four years, and you could -- and then, you
6 talk about incenting things, you could set it up any
7 way you want. You know, you could have time
8 deadlines, you could have -- you could direct folks
9 toward science and technology if that's what we're
10 trying to incent, but there are different things you
11 could do while in college to turn that loan into a
12 grant so that by the time you graduate, you've really
13 earned something and you've put back into the system.

14 DR. DICKESON: Sara?

15 COMMISSIONER MARTINEZ TUCKER: Barry,
16 thanks for your presentation and for taking the time
17 to be with us today. When I first read your report,
18 the complete report, I was struck by your segmentation
19 of the different programs for either increasing access
20 or increasing retention, and the first thought that
21 popped into my head was, to the extent that we front-
22 end programs with grants at the beginning to get the
23 kids to start school, then what would a portfolio look
24 like if you balance the loans, the grants, the work-
25 study, *et cetera*? Given the richness of the UT System
26 and the different types of campus that you have, would

1 it be possible for the next step to be to look at the
2 portfolios that kids end up -- I'd be curious to see
3 what low-income -- particularly, first generation low-
4 income kids that make it all the way through -- what
5 their portfolios look like, because, at least, I find
6 when I'm with my families, they think that they're
7 different and that they're too burdened with one piece
8 of that portfolio, and I'm just wondering if you guys
9 would maybe think about a second piece of this to look
10 at what portfolios for successful students who make it
11 all the way through would look like?

12 MR. BURGENDORF: I think that would be a
13 very interesting look. There's not a lot of research
14 or data on that right now, and what it appears to be -
15 - one thing that -- an opportunity of revamping the
16 system would be to talk about what ways the federal
17 government would want to encourage packaging of the
18 different components. Right now, it appears that most
19 of the packaging occurs at the individual and they may
20 or may not be making the right choices for their own
21 personal income situation between loans, grants, and
22 tax incentives, whatever.

23 At one point, you also brought to mind one
24 other thing that I wanted to mention about UT System.

25 We have nine academics and six health institutions,
26 and these programs are so varied and so complex that,

1 actually, I was surprised to learn that our different
2 campuses actually specialize. You know, you have to -
3 - as this form indicates, if you can't fill it out,
4 call someone at the college you want to go to. It's
5 hard to get a staff who understands all of this, so
6 some of our campuses have said, "Look, we're going to
7 be helpful and facilitate these three or four programs
8 and the other program, we're not pushing, we're not
9 helping." So, you don't even have consistency among
10 universities on what they're pushing.

11 It's like a cafeteria plan. There's a lot
12 out there, and folks are pulling out different pieces,
13 and it's -- those decisions are -- that might be okay,
14 a cafeteria plan might be okay, but those decisions
15 are not being made based on what's best, it's based on
16 "how can we staff it, and who can we train up to
17 understand this?" And, that's not the way, I think,
18 you want those decisions being made.

19 COMMISSIONER MARTINEZ TUCKER: Thank you.

20 DR. DICKESON: Bob?

21 CHAIRMAN MILLER: Which Bob? This -- that
22 Bob.

23 DR. DICKESON: Bob Mendenhall then Zemsky.

24 CHAIRMAN MILLER: Okay.

25 COMMISSIONER MENDENHALL: I think the
26 challenge for the Commission, now, moving forward as

1 we get closer to the end of our cycle is to take some
2 of this information and turn it into "what do we want
3 to do about it as a Commission?" And, I wanted to
4 pick up on something you said, Barry, as well as
5 something Charles said at the beginning.

6 It makes sense to me that we look, as a
7 Commission, at goals for access and goals for
8 retention. Retention, essentially, are graduation
9 goals, but access goals and graduation goals. And, I
10 don't think anyone would disagree with Charles'
11 opening statement about, you know, we need a financial
12 aid system that is need-based, simple, student-
13 friendly, fair, and generous. I think the question
14 is, is there any realistic way to get -- I mean, we
15 can recommend that system, the question is, then, how
16 do we get from where we are to that system, and do we
17 want to rec -- I mean, there are recommendations along
18 the way, such as -- it's pretty clear that the tax
19 credits are more beneficial to the high-income folks
20 that don't need them than the low-income folks who do.

21 There's certainly a suggestion on the table about
22 eliminate the tax credits and use the money saved to
23 increase Pell grants or grants for lower-income
24 students. I think the principal is right, but we as a
25 Commission need to figure out, now, how do we take
26 that principal and turn it into concrete

1 recommendations? I think we understand there's a
2 problem. We need to figure out a recommendation to
3 resolve it.

4 DR. DICKESON: Bob Zemsky?

5 COMMISSIONER ZEMSKY: Well, first, I just
6 -- I want to pick up with you, Bob, just -- you talk
7 about 400,000 excluded from the system, so that's the
8 numerator. Isn't the denominator about 11 million-
9 something? That's how many are in the system --
10 students in the system? So, we're talking about a
11 four percent problem, which sounds to me like a 96
12 percent success rate?

13 I've done this before, but -- and I'm
14 following, really, what Bob said, because I think we
15 have to be very, very careful, and I think this should
16 be a system, at least from my perspective, that
17 targets problems. Now, what Barry is giving us is a
18 system that can't even explain itself, so how can it
19 possibly target anybody?

20 But, again, if you were going to target so
21 that -- you know, every time we do this in this
22 country, we benefit the people who don't necessarily
23 need it. That's the history of public policy in this
24 country. You study it.

25 How can we actually target the four to
26 eight percent that are being shut out of the system?

1 Would simplification help there? Is that where the
2 problem is with that four to eight percent? Is it
3 that people that you talk to in the institutions don't
4 understand it? Is that what creates the four to eight
5 percent problem?

6 So, I believe that the Department ought to
7 just fix federal financial aid and they don't need us,
8 but the targeting does need us, and how do we actually
9 target it so that we don't throw a lot of money toward
10 people that don't need it?

11 MR. BURGDORF: I think there's a lot that
12 can be done in targeting. I think that the evidence
13 would indicate that simplification would help. You
14 know, you're talking about a group, and there's not a
15 lot of evidence on how big this group is, but if
16 you're talking about your access goal, there's a group
17 who the difference in these programs either means
18 going or not going to college, or going to college at
19 a community college, or going to college at a research
20 university, or maybe going to college and doing it
21 over eight years versus doing it in four years.
22 There's that group of folks.

23 There is -- those underuse statistics I
24 cited would indicate that the system is complex enough
25 and difficult enough to weave your way through that
26 some of those folks just aren't getting into the

1 system and that simplification would help that
2 problem.

3 I think there also needs to be some more
4 research done about why there's other folks who aren't
5 accessing the system in the first place, and some of
6 it's probably cultural, too. You know, there is a big
7 difference between growing up in a family that talks
8 about college from day one to those who don't. Those
9 may not be problems that the federal government should
10 solve, but that is another factor which plays into it.

11 I think there's also opportunities for
12 targeting within specific disciplines. You know, you
13 can use federal financial aid to direct folks to study
14 the things you want them to study.

15 DR. DICKESON: Okay, we have time for one
16 more question, and Richard, you will ask it.

17 COMMISSIONER VEDDER: Sure. It's my
18 understanding, roughly, we give, you said, \$80 billion
19 of various sorts of federal financial assistance,
20 including loans. My guess is, Pell grants are \$12,
21 \$13 billion of that. Is that rough -- \$5 million at
22 an average of \$2,500.00 a crack.

23 What would happen if we did away with all
24 16 programs, two through 17, and kept one, Pell, maybe
25 rename it, might -- put it in President Garland's way
26 of looking at it, sort-of a scholarship program, a

1 voucher system, if you'd like, that varies with income
2 for, say, 8 million people or 10 million people,
3 double the number that are currently getting Pell
4 grants, but not the rich or the super -- maybe 8
5 million, including some who are not currently going to
6 college who are adults, and giving them \$7,500.00 a
7 piece, which is much larger than current Pell grants.

8 That's \$60 billion. But, we're spending 80 right
9 now.

10 Would we be better off or worse off, in
11 your opinion, if we went that way in terms of meeting
12 what you perceive to be our goals?

13 MR. BURGDORF: That's a big question.

14 COMMISSIONER VEDDER: Well, we're supposed
15 to be thinking big.

16 MR. BURGDORF: I think that if you gave me
17 a choice between the current system and that system, I
18 would pick that system. I do think you would have --
19 I do think, to satisfy that element that I talked
20 about before, about most folks would be very willing
21 to admit that this -- there's charity to this, there's
22 a giving to this, but they also want to know that
23 there's some earning back of it, I think you would
24 need to -- to completely sell it, you would need to
25 combine it with some features which would -- that have
26 the recipients of that -- the new Pell grant, we'll

1 call it, demonstrate --

2 COMMISSIONER VEDDER: Some performance
3 standards?

4 MR. BURGDORF: Performance standards --

5 COMMISSIONER VEDDER: Absolutely.

6 MR. BURGDORF: -- during the course of
7 getting that.

8 COMMISSIONER VEDDER: Great.

9 MR. BURGDORF: And, there's probably stops
10 along the way, which would be improvements too.
11 You're going from one extreme to the other with what
12 you've described.

13 COMMISSIONER VEDDER: Well, if we can only
14 convince 535 members of Congress, we've got a
15 recommendation.

16 CHAIRMAN MILLER: Well, you could do it.

17 COMMISSIONER ZEMSKY: We'd have better
18 grants.

19 MR. BURGDORF: Just one other thing about
20 that. You would also, in addition to, you know,
21 reducing complexity, whether you go that far or not,
22 in addition to reducing federal cost, you would reduce
23 costs, administration, and bureaucracy at the campus
24 level immensely. I couldn't even estimate how many
25 headcount you could redirect into other areas and the
26 financial aid office could shrink at each campus, and

1 you could be much more efficient. We would have less
2 collection issues on student loans.

3 The default rate is actually very low,
4 four percent right now, but there's still an effort
5 that undergoes that, too.

6 So, you could reduce complexity, not just
7 -- these are savings not just at the federal level but
8 at the state level and then down at the individual
9 campus level, which could occur through
10 simplification.

11 COMMISSIONER MILLER: Would you please
12 attest to the fact that I didn't ask you to write that
13 paper, since you're from the University of Texas?
14 Thank you.

15 MR. BURGDORF: You did not, but someone
16 you know did.

17 COMMISSIONER MILLER: Thank you.

18 MR. BURGDORF: But, it was not because you
19 asked him to.

20 COMMISSIONER MILLER: But not that
21 subject, though. That was a free choice you made.
22 Thank you.

23 DR. DICKESON: All right, thanks. Thank
24 you, Barry. Great discussion.

25 And, let's move to our second presenter.
26 I don't suppose there's a more important stakeholder

1 group than college parents, and they're probably the
2 least represented in the policy arena, and so, we're
3 delighted to have with us Jim Boyle, who is the
4 President of College Parents of America. And, Jim,
5 give us your thoughts.

6 MR. BOYLE: Thank you for the opportunity
7 to present to you today on the issue of college
8 affordability.

9 My name is Jim Boyle, and the organization
10 I lead, College Parents of America, is the only
11 national membership association for parents who have
12 students in college or who aspire to send their
13 children to college. Our mission at College Parents
14 of America is to empower parents to best support their
15 children on the path to and through college. Far too
16 many families do not have a clue as to how their child
17 should best prepare for college academically, nor do
18 they understand how they, themselves, should prepare
19 financially.

20 Even families who are prepared are
21 worried. We recently conducted two online surveys of
22 our members and subscribers who, right now, number
23 about 90,000. One of the surveys sent to parents of
24 future college students, parents of seventh through
25 12th graders, examined parent expectations of college-
26 related issues. Finances topped the list with 80

1 percent of parents responding they would either be
2 most concerned or very concerned about money issues.
3 Among current college parents, one of the questions we
4 posed was, "This year, on which topic has your student
5 most requested advice or assistance from you?" The
6 number one answer, nearly double any other at 35
7 percent, was finances. So, with this recent polling
8 data in mind, I'm sure it will come as no surprise to
9 you that the guy representing college parents in your
10 deliberations believes that college affordability is
11 an important issue.

12 My own story of college affordability goes
13 back more than 30 years to April, 1975 when, as a high
14 school senior, I received five college acceptances,
15 each with an offer of significant financial aid.
16 While the FAFSA didn't exist then, my parents had
17 filled out its precursor without any help from a
18 consultant, and so, when this handful of selective
19 colleges wrote to say "Okay, you're in," they also
20 included their offers of dollars to help convince me
21 to say, "Okay, I'm coming."

22 Years later, I understand how critical it
23 was that my four private college acceptances came from
24 schools that were and still are need-blind in their
25 admissions criteria with enough money in their
26 financial aid budgets to make available all the money

1 that was needed by a working-class kid from Detroit.

2 Today, along one of the wide avenues
3 radiating out from here, in downtown Indianapolis, to
4 the open land not too far beyond, avenues that by
5 their very scale and purpose suggest possibility,
6 there is probably a working-class kid, or a few, or
7 more, who will -- who has just or will soon receive
8 his or her own letter from my alma mater,
9 Northwestern, with an offer of admission and financial
10 aid package that makes the cost of attendance equal to
11 or perhaps even slightly less than IU Bloomington or
12 IUPUI. But, what concerns me is that for every
13 fortunate student who is accepted with financial aid
14 to a Northwestern or IU, or IUPUI, there is dozens,
15 hundreds of students who don't know that college at
16 such places is possible because they are unaware of
17 existing and available financial aid options.

18 For these students, who metaphorically
19 live along the narrow streets that intersect those
20 wide avenues, the possibilities are much less
21 apparent, and arguably, much more limited. In fact, a
22 strong case can be made that their performance in high
23 school may have been hampered due to their mistaken
24 belief it didn't really matter and their misinformed
25 perception they couldn't afford college anyway.

26 I have to wonder how many of these young

1 people are getting off the college track because they
2 hear bits and pieces of information about the sticker
3 price of college, and they and their parents think,
4 "Well, there's no way in the world we can afford
5 that."

6 While the percentage of students choosing
7 to attend college has inched upward every year since
8 1970, there is a certain and very frustrating lag time
9 to education statistics, and I sense that far too many
10 young people are either not graduating from high
11 school or failing to pursue higher education options
12 because they believe that the cost of college is out
13 of reach.

14 So, what can be done about that? What can
15 be done to change both the growing perception and the
16 growing reality that college may not be affordable
17 after all? I have a lot of ideas, and from reading
18 both excerpts and hearing the discussion today, it
19 sounds like you have many ideas, too, and have heard
20 and already debated ideas from a variety of sources.

21 So, keeping in mind my list is only
22 partial, here are three ideas:

23 First, fund a national ad campaign that
24 gets across the message that college is possible.
25 Now, there's a recently launched campaign led by the
26 American Council on Education and funded in part by

1 the Indianapolis-based Lumina Foundation for
2 Education, that goes by the umbrella name of Solutions
3 for Our Future. And, when announcing the effort, an
4 ACE official proclaimed a premise that people
5 instinctually understand that college and attendance
6 is important to them as individuals but that they need
7 to be educated, in effect, about the importance of
8 college to society. I'm not so sure about that
9 premise. I think that all of us in this room
10 understand the importance of a college education to an
11 individual, both to their earning power and to their
12 sense of knowledge and self-esteem, but I question
13 whether those who are turning away from college as an
14 option do understand its importance to their potential
15 for individual success. So, while the ACE campaign is
16 laudable, I think there's still plenty of room and a
17 very necessary place for a campaign that emphasizes
18 the personal benefits of a college education, and the
19 fact that those benefits come at a cost that is not
20 insurmountable and which, in effect, can be paid for
21 many times over in the greater earnings power that
22 comes with that original college investment.

23 Second, make education fiscal policies
24 more family friendly, particularly, those policies
25 that can provide relief to the American taxpayer.
26 From passage of the 2001 tax bill until December 31,

1 2005, a little over three months ago, taxpayers who,
2 themselves, were in college, or who had dependants in
3 college, were able to deduct up to \$4,000.00 of
4 tuition and related expenses from the top line of
5 their taxes provided that their adjusted gross income
6 as a single filer was no greater than \$65,000.00, or
7 as a joint filer, no greater than \$130,000.00. That
8 deduction, unfortunately, has now gone away unless
9 Congress reinstates it. Not only should it be
10 reinstated and made a permanent part of the tax code,
11 it should be expanded from \$4,000.00 to \$12,000.00,
12 which is the current average annual cost of a four
13 year public education, tuition, room, and board, and
14 indexed to keep paced with tuition increases in the
15 future.

16 The deduction should also be made
17 available, similar to the mortgage interest deduction,
18 to all U.S. taxpayers. This would send the correct
19 message about the importance of higher education and
20 take some of the financial sting out of the cost of
21 college for middle class purchasers who are, in many
22 cases, ineligible for need-based financial aid but who
23 are then forced to stretch their available dollars
24 very thin when it comes to paying for college in real
25 time. If the cost of a \$100,000.00 luxury SUV,
26 according to the tax code, can be fully deductible if

1 used for business purposes, then surely, the cost of a
2 \$12,000.00 public education should be fully
3 deductible.

4 The tax code has been described as a
5 reflection of our values as a society. If that is the
6 case, how can we look ourselves in the mirror when a
7 family's investment in higher education has, in
8 effect, been removed from the books when it comes to
9 deducting that expense?

10 Third, create incentives for colleges to
11 hold down costs so that they are not encouraged only
12 to ask for more money from public sources but to train
13 their own cost-cutting muscles. Many American
14 businesses have, over the past 25 years, been able to
15 wring significant savings out of the various elements
16 in their supply chain. That's what the productivity
17 revolution is all about, yet it seems that American
18 institutions of higher education have only been able
19 to stand by, somewhat helplessly, while their costs go
20 up. These rising costs, in turn, are passed on to
21 students and their parents in the form of higher
22 tuition.

23 You're going to hear in a few minutes from
24 Carol Twigg from -- with the National Center for
25 Academic Transformation about her group's specific
26 efforts to encourage colleges and universities to

1 utilize technology to save money. I would like to
2 make the general suggestion that colleges could save
3 money by outsourcing. Now, that may sound heretical,
4 here in the heartland, but I'm not talking about
5 sending thousands of university jobs to India. What I
6 am talking about is the practice of contracting with
7 an outside company in order to provide a product or
8 service that might otherwise be too expensive,
9 complicated, or time consuming for the institution to
10 do internally. I'm suggesting that some non-academic
11 functions on campus could be much better and more
12 efficiently accomplished by a contractor.

13 What are some of those functions?
14 Information technology, IT, should be at the top of
15 the list. Trained IT professionals, battle scarred
16 from decades of creating connectivity solutions for
17 businesses, seem uniquely well positioned to help
18 forge similar solutions for colleges and universities.

19 After all, it's on these same campuses where these
20 pros were trained.

21 I have one closing thought, and it's a
22 suggestion to parents, that we might want to look
23 ourselves in the mirror when it comes to the college
24 costs conundrum. What do I mean? Well, for instance,
25 a large and growing percentage of parents have shown a
26 willingness to pay a premium for what we consider to

1 be brand name and/or high quality services for our
2 children as they're growing up, whether it be music
3 lessons, travel sports teams, academic tutors, or any
4 one of the myriad of products or services that cater
5 to just how special we believe our children to be and
6 how much we want to support them to be the best in
7 whatever endeavor they choose.

8 Colleges must notice this behavior, and I
9 believe it's a contributing factor to how they price
10 their service, which is, providing a higher education
11 to our children. Many colleges also see the
12 willingness of some parents to provide our young
13 adults with cars on campuses, accoutrements for their
14 dorm rooms, cell phones or other electronic devices,
15 and those who set their prices surely must think to
16 themselves, "Oh, they won't mind another few bucks per
17 credit hour."

18 Colleges also perceive a strong parental
19 demand for ever newer and ever sleeker school
20 facilities, which, of course, have to be paid for
21 somehow, with tuition from those demanding families
22 being a logical place to start. Am I suggesting that
23 students should go to school in a dump? No, but I do
24 think it's important to remember that what's taught in
25 a classroom is far more important than the grade of
26 carpet on the classroom floor.

1 Thank you, again, for the opportunity to
2 testify, and I wish you the best of luck in your
3 deliberations and look forward to your questions.
4 Thank you.

5 DR. DICKESON: Thank you, Jim. Questions
6 from the Commission? Kati.

7 COMMISSIONER HAYCOCK: Mr. Boyle, you
8 spoke about American values, but if I heard you
9 correctly, your specific proposal would have the
10 effect of expanding, rather dramatically, student aid
11 for middle and upper-middle income kids. You said not
12 one word about low income kids. Yet, the discussion
13 that preceded you was very much around how do we
14 expand access for them. Obviously, if we have
15 unlimited dollars, it's possible to do both things,
16 but if you were a member of Congress forced with
17 competing priorities, would you actually make the
18 choice that you suggested to us?

19 MR. BOYLE: I believe that I suggested
20 three things, and one of which was totally focused on
21 low income kids, and the story that I told about
22 myself and taking advantage of financial aid related
23 to that, and so, I guess I felt in my limited time
24 today, that there has been a lot of focus on more
25 money being made available for college, and in
26 reviewing the course of the discussion as I've been

1 able to follow it for the last few hearings, there
2 hadn't been a lot of mention related to the issue of
3 tax deductions, and so I chose to focus on that in
4 this statement.

5 COMMISSIONER HAYCOCK: But, let me repeat
6 my question. If you were a member of Congress and
7 you, essentially, had to choose, what would your
8 choice be? And, what choice would you recommend to
9 us?

10 MR. BOYLE: I think there's a lot to be
11 said for the previous discussion, that I think kind-of
12 a two-part system that is sort of one part greater
13 emphasis on aid coupled with greater tax incentives
14 for the cost that ultimately is borne by the family,
15 by the student and the parents. So, there's -- I
16 don't think a system, you know, could be constructed
17 that would be absolutely free and so kind of a two-
18 part grants plus tax incentives, I think, would be a
19 simpler system to administer as opposed to the
20 plethora of programs that exist right now.

21 DR. DICKESON: Jim Duderstadt.

22 COMMISSIONER DUDERSTADT: Since we're on
23 taxes -- you know, tax policy also drives the cost of
24 higher education. What we call the edifice complex,
25 when a donor builds a marvelous new facility, takes a
26 charitable tax deduction, and then we have to operate

1 that facility over a long period of time, frequently
2 when we really don't need it. Since we're putting out
3 these other tax issues, maybe the broader issue of tax
4 policy with respect to higher education needs to be
5 put on the table as well.

6 MR. BOYLE: I would agree.

7 DR. DICKESON: David?

8 COMMISSIONER WARD: I'd like to make an
9 observation and then have a question. Since you
10 referred to the ACE public campaign, there are
11 actually two. One is entirely supervised by ACE and
12 is called the Solutions Project. The sole purpose is
13 to demonstrate to the public the public value of
14 public and private higher education. Second campaign,
15 which has not started, combined with the Lumina
16 Foundation, is about college access. This has not yet
17 started. This is a different campaign, funded by the
18 Ad Council. So, for the record, I just want to make
19 sure that you don't confuse the access campaign with
20 the current campaign, which is about, really, the
21 value of education.

22 The observation I'd like to make is the
23 idea of facilities driving up tuition. For those of
24 us who come from states that have not been
25 particularly well-funded in terms of higher education,
26 and primarily, in the public sector, I've not much

1 evidence of luxurious facilities. I think we need an
2 environmental scan of where and under what conditions
3 we have all this luxury.

4 My own experience in the state of
5 Wisconsin, I didn't see much of it. Climbing walls,
6 rather ambitious swimming pools, none of that did I
7 witness. So, I think we need to be careful.

8 We're not supposed to segment higher
9 education because we want to sort-of have the big
10 picture, but I have witnessed disinvestment rather
11 than reinvestment in infrastructure in higher
12 education at the state level. Maybe demographics and
13 tax policies there -- but, to generalize that the cost
14 of college in the broadest sense of the word has been
15 driven by an access of capital indulgence strikes me
16 as a generalization that needs some testing.

17 DR. DICKESON: Okay, one more question?
18 Rich.

19 COMMISSIONER VEDDER: I did fall off our
20 climbing wall in my recent attempt to climb it at my
21 university. Having said that --

22 DR. DICKESON: Was this a remedial climb?

23 COMMISSIONER VEDDER: Picking up on Jim's
24 comment and Kati's comment, I've read somewhere, and I
25 haven't seen the official statistics, and I don't know
26 Bob Zemsky or Chuck Vest would be particularly

1 comfortable with my saying this, but I'll say it
2 anyway.

3 I've heard it said that federal government
4 subsidies, counting tax subsidies, to Ivy League
5 schools and other elite, private institutions border
6 on \$30,000.00, \$40,000.00 per student per year,
7 particularly if you add in the research grants that
8 are granted, whereas the typical community college
9 subsidy from the federal government, however measured,
10 is probably \$2,000.00 or \$3,000.00. Isn't this a sign
11 that tax policy is contributing to an elitism in
12 America in terms of higher education that needs to be
13 addressed?

14 DR. DICKESON: Was that a question you
15 want to try to respond to, Jim?

16 COMMISSIONER VEDDER: And, have you beat
17 your wife lately?

18 DR. DICKESON: I'm going to --

19 MR. BOYLE: No, and no.

20 COMMISSIONER VEDDER: By the way, I'm a
21 Northwestern graduate, too, so --

22 DR. DICKESON: Gerri, you had your hand up
23 at the last second.

24 COMMISSIONER ELLIOTT: I did.

25 DR. DICKESON: I'm going to ask you to --

26 COMMISSIONER ELLIOTT: Yeah, thank you.

1 Mr. Boyle, since you represent the voices of college
2 parents, we've had a lot of discussion in the
3 Commission about getting information to parents,
4 transparency of information, reports about the
5 colleges, themselves. I understand, the number one
6 concern via your survey was on finances, but what else
7 did you glean from your survey about what parents
8 really want to understand about colleges when they're
9 making those decisions?

10 MR. BOYLE: I'll answer it in two ways.

11 The first -- I think, first, on the survey
12 itself, the second question of current college
13 parents, in terms of what their students are asking
14 them about was academics, advice on academics, and
15 then, third, was career planning, which I thought was
16 interesting in that the vast majority of parents that
17 were -- have in our database are parents of freshmen
18 and sophomores.

19 On the issue of transparency in
20 information, yeah, touching -- I think there's many
21 levels. There's a -- with a guidance counselor ratio
22 in the U.S. of public schools of 491 students for
23 every guidance counselor, there's a lack of an ability
24 for a parent to feel that they have a place to go, a
25 person to go to, in the K-12 system to help guide them
26 on the college admissions process, and I think parents

1 increasingly have questions about financing of
2 college, and there's evidence that those who serve as
3 guidance counselors aren't necessarily trained in how
4 to pay for college, they're more trained in how to get
5 into college, the academic credentials necessary.

6 When parents do arrive at the college
7 gate, I think there's strong evidence that the parents
8 that are most happy with their college experience are
9 the ones that are fed information in a proactive way
10 from their college or university, that it's -- that
11 there is information provided from the minute of --
12 you know, from the time of acceptance, to the time of
13 a decision to actually attend, to the summer before.
14 There's -- there are written materials that are sent
15 to the home, there are visits and meetings that are
16 arranged with other current parents in order to -- for
17 parents to learn about the process, there's websites
18 for parents, and I think, you know, the more
19 communication, the better, that a lot of what families
20 fear is just the unknown, and they don't really know,
21 especially if it's their first child going to college,
22 how it all works, and their inclination is to want to
23 find out more so that they can be as supportive as
24 possible.

25 COMMISSIONER ELLIOTT: Thank you.

26 DR. DICKESON: Okay. Thank you, Jim, very

1 much. Good discussion.

2 We turn to yet another perspective. Dr.
3 James Garland is the President of Miami University of
4 Ohio, by all accounts, a public Ivy, and President
5 Garland is a strong and outspoken leader. You may
6 have noticed his letter to the editor of the Wall
7 Street Journal in the last few days. And, we're
8 anxious to hear what you have to say.

9 DR. GARLAND: Thank you very much. Good
10 afternoon. Mr. Chairman, members of the Commission,
11 thank you for allowing me to testify before you.

12 What I would like to talk about today is
13 the affordability problem, and specifically, I'd like
14 to limit my comments to public higher education in the
15 four-year sector. And, what I would like to discuss,
16 specifically, is that we take a -- we stand back from
17 the problem and look at it in terms of the larger
18 fundamental economic issues.

19 There are two premises that I have. One
20 of them is that the affordability problem in this
21 country, which has been so intractable, is caused at
22 heart by fundamental economic and social forces that
23 are simply irresistible. These include global
24 competition, the healthcare needs of an aging
25 population, the -- dysfunction of inner cities and the
26 social services that those -- that that creates, the

1 costs of maintaining our infrastructure of roads,
2 hospitals, building prisons, by all the needs of a
3 very complex society.

4 My second premise is that these demands on
5 public treasuries are not going away, that only the
6 most starry-eyed idealist would look into a crystal
7 ball and see that these demands on public treasuries
8 are going to diminish, and what I conclude from that
9 is exactly what Chairman Miller said, is that the
10 funding mechanism of public higher education is on a
11 collision course with economic reality. I think that
12 actually phrases it very well.

13 My proposal is not a complete fix of this
14 problem. There is no simple solution to these
15 problems, but I think it would partially address the
16 problem by restructuring the way in which states
17 specifically finance their public four-year
18 universities and colleges. Now, the current system, I
19 believe, isn't -- represents an inefficient use of
20 public dollars, and I think that it would be possible
21 to target those dollars more efficiently to benefit
22 the taxpayers, and specifically, to improve the
23 affordability of a college education.

24 This proposal that I'm sharing with you is
25 based on a generalization of a tuition model that my
26 own university adopted in 2003, and in looking at the

1 impact that that model has been on the affordability
2 of a Miami University degree, which is, arguably, the
3 most expensive public university in the country, on
4 our own student body.

5 The basic idea is that states could help
6 alleviate the affordability problem by privatizing
7 their public campuses, that instead of paying a
8 subsidy to campuses, which indirectly benefits all
9 students, rich and poor alike, that it would instead
10 allocate public dollars in the form of scholarships,
11 primarily for middle and lower-income students. The
12 idea would use market forces and economic incentives
13 in conjunction with what I believe would be a more
14 efficient use of public dollars to alleviate the
15 problem.

16 Now, let me explain this a little bit by
17 using -- as an example, in my own state of Ohio, just
18 to show how it works, there are 13 public universities
19 -- four-year public universities in the state of Ohio.

20 My model -- according to my model, the state would
21 turn all or part of these 13 universities into
22 nonprofit corporations headed by independent boards of
23 trustees with ancillary legislation that would honor
24 existing personnel and pension obligations, research
25 grants and contracts, and other legal commitments that
26 are currently in effect. In my scenario, parts of

1 these public universities would remain public and
2 funded the way they are now. For example, agriculture
3 schools, possibly, schools of education, the branch
4 campuses, and all of the two-year schools in the
5 state, research and service centers such as the Ohio
6 Supercomputer Center, now funded through line items in
7 the Ohio budget, would remain unchanged.

8 The second step would be for the state to
9 then gradually phase out each of these schools'
10 government subsidy over a gradual period, say, six
11 years, which is the typical time to graduation for
12 public sector undergraduates. The phase-out period
13 will allow campuses to adjust to the new fiscal
14 environment and also to grandfather in currently
15 enrolled students.

16 And then, finally, the state would
17 reallocate the freed up subsidy dollars to a state-
18 administered scholarship program for newly enrolled
19 students. As I would envisage, in most of these
20 scholarships, the large majority would go to low- and
21 middle-income students, although, realistically, a
22 portion would probably be reserved for students with
23 special talents, say, to encourage engineers,
24 engineering majors, math teachers, or other groups
25 that reflected state manpower needs.

26 In my scenario, roughly half of college-

1 bound students would be eligible for the scholarships.

2 The scholarships would be valid at any accredited
3 Ohio four-year college or university, including
4 private colleges and universities.

5 So, that's the gist of the idea. Let me
6 now explain what I see the consequences and the
7 implications of this would be.

8 First, some numbers. Ohio's annual
9 subsidy to its public universities is about \$1 billion
10 a year. That comes to about \$3,500.00 for every
11 student enrolled in a public campus in Ohio. Today,
12 all college students in Ohio's public campuses, rich
13 or poor, benefit equally from this indirect subsidy.
14 Under my proposal, these dollars, instead of going to
15 the colleges directly, would go to about half of the
16 college going population, mostly, the lower-income
17 half. Thus, instead of indirectly giving \$3,500.00
18 scholarships to all students, which the state now
19 does, Ohio would, instead, directly award \$7,000.00
20 scholarships to the half of the students who have
21 financial need.

22 As a result, those students would see a
23 significant net decrease of about \$3,500.00 in the
24 annual cost of their college education. Conversely,
25 students from upper-income families would see a net
26 increase in the college costs of about the same

1 amount, about \$3,500.00. For them, the cost of
2 college would increase, but on the basis of our data,
3 this group has a significantly lower price sensitivity
4 than the middle- and lower-income group, and so, the
5 added costs would, in my opinion, not preclude them
6 from getting a college education.

7 Okay, the second consequence of this
8 proposal is that these scholarship-holding students
9 with \$1 billion of new purchasing power to spend on
10 their college degrees would be aggressively recruited
11 by Ohio universities, both public and private.
12 Particularly, the 13 formerly public Ohio universities
13 would do anything possible to recruit them in order to
14 make up the loss of subsidy that they would now no
15 longer receive. Students would choose colleges that
16 offered them the highest quality programs, the most
17 appropriate and desirable curricular options for them,
18 and the most value at a competitive price. Schools
19 that found themselves losing their market share would
20 either have to improve their offerings, cut their
21 prices, or risk going out of business.

22 Now, the -- realistically, the colleges
23 that were formerly public would obviously raise their
24 tuition charges by an average, one would suppose, of
25 about \$3,500.00, to make up the shortfall caused by
26 their loss of subsidy. That tuition increase would be

1 paid in full by the upper-income students, but the
2 middle- and lower-income students, because of their
3 scholarships, would see a decrease in the cost of
4 college by \$3,500.00.

5 An important point to keep in mind is that
6 these public universities, now, because they would no
7 longer enjoy a pricing advantage because of their
8 subsidy, would be forced by competition to restrain
9 their tuition increases to the absolute minimum
10 necessary.

11 And then, finally, the public colleges
12 would quickly, in my opinion, learn to respond to the
13 legitimate needs of their students. Frills would fall
14 by the wayside, efficiency and adaptability would
15 improve, campus decision-making, in my opinion, would
16 become increasingly focused and strategic.

17 Government subsidies are always well-
18 intentioned, but in my experience, inevitably have
19 unintended consequences. Subsidies tend to buffer
20 organizations from competition, to weaken market-
21 driven incentives for improvement, they also
22 perpetuate an environment that is risk-averse, with
23 organizations becoming preoccupied with preserving
24 their subsidy rather than serving the needs of their
25 customers and, in this case, in their students.

26 Now, do I think that this idea is the

1 final answer to public higher education's woes? No,
2 of course not. In fact, if given my druthers, I'd
3 rather see us return to an era when adequate public
4 financing of the nation's public universities made it
5 possible for all Americans to have a college degree at
6 an affordable price, but I'm -- when I look to the
7 future, I see that those days are gone and are simply
8 not coming back, and so, what I'm proposing is simply
9 another way to spend public dollars more efficiently
10 to try to redress the affordability issue.

11 Thank you very much.

12 DR. DICKESON: Thank you, President
13 Garland. Art?

14 COMMISSIONER ROTHKOPF: Yeah, I'd like to
15 commend the program that was just suggested. I think
16 it is an innovative way, and I know it's going to be a
17 controversial one, and it generated controversy when
18 it was published in the Washington Post and the Wall
19 Street Journal, but I think it's a very innovative
20 thing. I'd also add that there are studies out there
21 showing, particularly with the flagship universities
22 in many states, that the family income of students at
23 flagship public universities are generally higher than
24 the family income at private institutions. So, what's
25 happening is that the subsidy provided by public
26 institutions is really assisting those who can afford

1 to go to college and not those who are in greatest
2 need, so I think it focuses on this very issue.

3 Let me ask you a question about your own
4 institution. I know you've instituted this change.
5 What's been the impact on Miami University of Ohio?

6 DR. GARLAND: It's been a surprising
7 impact. We were concerned when we -- before we
8 adopted the plan that the sticker shock of our plan,
9 which entailed raising our in-state tuition up to the
10 out of state levels, which, at that time, was about
11 \$18-some -- \$18,000.00 a year, that that would
12 frighten off and dissuade the lower- and middle-income
13 families from attending. To try to stop that from
14 happening, we sent our admissions staff around to talk
15 to public universities around -- public high schools
16 and private high schools around the state to talk to
17 guidance counselors, to try to educate them on the
18 scholarships that would be made available from the
19 plan. We actually found that the first year of the
20 plan, we saw an increase from our Ohio applicant pool.

21 Fortunately, our plan dealt only with Ohio, so we had
22 simply a one-state problem to deal with and not a 50-
23 state problem to deal with.

24 In terms of the result, we saw, in the
25 first year, something like a 40 percent increase in
26 enrollments from first-generation college-going

1 students in our student body. We saw a 20-some
2 percent increase in minority populations, which,
3 coming primarily from lower socioeconomic brackets.
4 What we found is that the price-sensitive part of our
5 applicant pool did find the university more affordable
6 because it was more affordable, and we found that the
7 price sensitivity of the upper-income group, it
8 basically had no effect on them. In fact, the cache
9 from raising our tuition actually had a -- actually
10 seemed to make us more attractive to that school.

11 But, if I could add, though, that you're
12 exactly right. My school is very unusual in the
13 public sector, and if my plan were to become adopted,
14 schools like Miami are not the ones who would benefit
15 from it. Our students -- our applicants would
16 generally not be eligible for these scholarships that
17 I'm proposing. We would face more direct competition
18 from private colleges and universities because we
19 would lose our pricing advantage. The schools that
20 would benefit would be the large number of open
21 admission schools that serve primarily a lower- and
22 middle-income population.

23 DR. DICKESON: Jonathan.

24 COMMISSIONER GRAYER: We have talked about
25 this briefly before, but I think it bears mentioning.

26 It's unclear to me that we have a real definition of

1 affordability. It seems to me that we're struggling
2 with the sources of funds, and I think, as Jim pointed
3 out, you know, it's a very commendable market
4 efficiency model that you're recommending, but it is
5 predicated on a basic system that supports the overall
6 whole, and when we talk about affordability, if that
7 were to be defined as "how do we get the overall cost
8 of education down, regardless of the source of the
9 cash used to fund it," that would be a different
10 discussion than the one we're having.

11 What it seems to me we're talking about
12 is, is there a more efficient way to supply the same
13 amount of funds? Is there a more equitable way to
14 supply the same amount of funds? And, if that's what
15 the discussion is, then that's what it is, but it
16 hardly gets at what I think the average person would
17 view as the affordability question in higher
18 education.

19 To your experiment, do you think the
20 overall cost of a great education at Miami goes down
21 over time because of that taking away the comment you
22 made about efficiency and having not to raise prices
23 because of the feedback of the market, or are you --
24 you know, or, are you launching from a very high point
25 that we're at and talking really, very minimal, but
26 maybe, equitable distribution of sources of cash?

1 Which --

2 DR. GARLAND: I -- well, first, let me
3 question your premise just a little bit. It's true
4 that what I'm talking about is reallocating public
5 dollars in a more efficient way, but I'm a great
6 believer in the power of economic incentives, and I
7 think the reason, now, that you're finding -- one of
8 the reasons that college costs are going up, which
9 we've alluded -- which I've heard alluded to this
10 morning has to do with amenities that are being
11 provided, climbing walls, which my school has. My
12 school serves sushi in its dining halls for students.

13 And, I think, at many private universities, you're
14 beginning to see amenities like that. Those are not
15 because of some desire to recklessly raise costs.
16 That's because colleges are responding to their
17 market, and if -- for schools like mine which have
18 traditionally catered to the upper-income part of the
19 population, that's what that particular market wants,
20 and we're responding to those needs.

21 The problem is that for the bottom-income
22 half of the population, they don't have purchasing
23 power right now, and so the schools are either
24 disinclined to meet their needs or they simply don't
25 have the revenues, as David Ward was talking about in
26 Wisconsin, to meet their needs adequately, and so I

1 think that, partly, we're talking about redirecting
2 existing dollars, but I think we would be redirecting
3 it into a direction that would make schools more
4 responsive.

5 COMMISSIONER GRAYER: Two quick comments
6 and then I'll get out. But, one is, I think Richard
7 has talked about this a lot. That's, in large part,
8 being caused because there's no penalty from getting
9 the free dollars if you go out and raise a ton of
10 money on the side, and therefore, if you want to
11 compete with a school that can do that, you're forced,
12 as you are, to either raise prices or find money
13 elsewhere. The system has no regulation. There's a
14 market mechanism and then there's a -- you know,
15 outside the market source of funds.

16 But, if you want to -- you know, I think
17 that in thinking about public education, in models
18 that the customer is pursuing for affordability, yours
19 is a very commendable one, but look at California
20 today. The most common workaround for affordability
21 is to spend two years at a community college, transfer
22 your credits in, and graduate from a UC or Cal State
23 system. That is bringing down the affordability of a
24 college education. Is that a model that, you know,
25 you have a view on or not? But, that's an overall
26 cost-reduction, regardless of where the source comes

1 from.

2 I personally think it's not a good one,
3 but it's one that the customer's pursuing.

4 DR. GARLAND: I do feel that cost
5 reduction is important. I do think that there are
6 efficiencies that could be -- that could certainly be
7 improved, particularly in the public sector. I've --
8 one of the challenges in administering public
9 universities is the traditions of shared governance,
10 which are necessary at one level, because universities
11 are such complex places which represent the whole
12 spectrum of human knowledge. You really do need to
13 consult broadly and touch base with various
14 constituencies.

15 But, I think, when the quality of the --
16 working life at a public university begins to
17 deteriorate, when campuses become shabby and run down
18 and salaries are lagging, then what happens is that
19 the shared governance model can be perverted into a
20 mechanism for staving off painful changes.

21 There -- I think there are efficiencies
22 that are certainly possible in universities, and I'm
23 all for cutting costs wherever we can, but I think
24 it's also important to realize that universities, like
25 any other large organization, are governed and driven
26 by financial imparities, and there has to be -- if you

1 cut costs, you have to be sure that when you do so,
2 you're not also cutting off your source of revenues.

3 DR. DICKESON: Two final questions. Bob
4 Zemsky, and then Chuck Vest. Bob?

5 COMMISSIONER ZEMSKY: I -- as the
6 Commission knows, I don't often disagree with
7 Jonathan. Usually, I pick his pocket and make his
8 ideas mine, but at this time, I think he's wrong.

9 COMMISSIONER GRAYER: Don't speak into the
10 mic.

11 COMMISSIONER ZEMSKY: I think what is
12 really intriguing about what Jim Garland has said, and
13 he gets to the heart of something that Charles talked
14 about in the beginning, that we need principals rather
15 than design. We're not going to be able to design
16 anything, but we could have principals, and it seems
17 to me that the key principal in what Jim is saying is,
18 we need to create a set of incentives for
19 efficiencies, and if you listen carefully to -- this
20 plan, essentially, is saying, "Look, gang, the group
21 that's driving up the prices is the group that's got
22 the money in their pockets," and he just took some of
23 the money out of their pocket and he is actually
24 getting closer to creating price competition.

25 You know, we can talk until the end of the
26 day that we're going to drive down the price of

1 college and the truth of the matter is, we're not.
2 The consumers will, if, in fact, the structure is such
3 that consumer power will drive it down, and I think
4 this is one of the things that Jim Garland is talking
5 about, whether he meant to or not.

6 But, I think he meant to, that it is the
7 only way to control, to cap the cost is to figure out
8 how to get the purchasing power to make the colleges
9 respond, if -- and, that's what the purchasing power
10 wants to do.

11 DR. DICKESON: And, Chuck?

12 COMMISSIONER VEST: A very quick editorial
13 comment and a serious question.

14 The editorial comment is that my
15 experience over the past 20 years, this assertion I
16 keep hearing, that it's the privates that put all
17 these fancy amenities in, not state institutions, is
18 not a supportable statement.

19 But, serious question. I really admire
20 your radical thought and radical change. If you had
21 your choice between what I understand your model to
22 be, which is that you are still dependant on the Ohio
23 legislature each year to make the appropriations that
24 go into your scholarships, that's model A. Model B
25 would be, say, next year, figure out the endowment
26 that would support that amount of scholarship money,

1 which would basically be the amount of scholarships
2 times 20, give it to me as an endowment with the
3 restriction that I use it only for Ohio students and I
4 run with it. Which would you choose and why?

5 DR. GARLAND: I would choose the former.
6 I would rather see the State allocate the scholarship
7 money, because I think that the elected leaders in
8 state governments have their pulse on what the needs
9 of the communities and their public are, and I would -
10 - and, I think that it's appropriate for them to have
11 some say in shaping the economic forces that would
12 drive higher education.

13 DR. DICKESON: Okay, thank you. Another
14 fascinating perspective. Let's shift gears now. We
15 have lots of theories and here's somebody who's
16 actually converted them into some action, and that's
17 Dr. Carol Twigg.

18 Carol is the head of what's called the
19 National Center for Academic Transformation, a program
20 that began when she was at Rensselaer Polytechnic
21 University, and then has evolved into a separate
22 organization. Carol has taken the concept of "How do
23 we improve quality, at the same time, we can lower
24 costs through some exciting new ways of looking at
25 instruction technology?" Carol.

26 DR. TWIGG: Great. Thank you, Bob, you've

1 given my introduction. Thank you, Mr. Chairman, and
2 members of the Commission, for inviting me to testify.

3 I think you'll be relieved that I'm not
4 going to talk about amenities and climbing walls in
5 terms of increasing the cost of higher education, but
6 I want to focus on teaching and learning and the way
7 in which we carry out teaching and learning as being a
8 contributor to rising costs.

9 I noted that in Bob Dickeson's paper that
10 he said about frequently asked questions about rising
11 costs, you know, why does college cost so much? The
12 first point that he makes, of course, is that college
13 is a very labor-intensive enterprise, and I believe
14 that an important contributor to the rising costs of
15 higher education, and perhaps, the key contributor is
16 an out-noted labor-intensive way of thinking about
17 teaching and learning, and what we now know is that it
18 is possible to improve student learning while reducing
19 instructional costs by redesigning the way in which we
20 offer instruction, and our program in course redesign
21 has made a hopeful persuasion that it is possible to
22 do this.

23 In 1998, our Center created a national
24 program in course redesign with generous support from
25 the Pew Charitable Trust, and its purpose was to
26 challenge American colleges and universities to

1 redesign their approaches to instruction, taking
2 advantage of information technology, to achieve
3 improvements in student learning while reducing
4 instructional costs. In other words, both goals,
5 simultaneously.

6 We funded 30 projects at 30 institutions
7 around the country, each of whom designed --
8 redesigned a large-enrollment introductory course, and
9 these projects enrolled about 50,000 students. So,
10 it's a big-scale project, it's not a small experiment.

11 Now, what were the results? Just to
12 summarize them, these redesigned courses reduced costs
13 by 37 percent on average with a range of 15 percent on
14 the low side to 77 percent on the high side. And, if
15 you add up the dollars in operating costs that these
16 redesigned courses saved annually, that number comes
17 to about \$3 million for just 30 courses. Okay, so,
18 reducing instructional costs by 37 percent in higher
19 education, I think, is a pretty significant
20 achievement, especially when most people say this is
21 something that simply can't be done.

22 But, what about the quality of student
23 learning, the other side of the equation? Each of the
24 30 participating institutions conducted a rigorous
25 evaluation focused on student learning, where they
26 compared the outcomes of the redesigned courses with

1 those delivered in a traditional format prior to the
2 redesign, and what we found was that in 25 of these 30
3 projects, student learning improved significantly,
4 with the remaining five showing learning equivalent to
5 traditional formats. Okay, so, no one got hurt, in
6 essence. In 25 of the 30 projects, learning improved.

7 We also looked at course completion rates,
8 which is, of course, a major concern, particularly in
9 these introductory courses. And, of the 24
10 institutions that were concerned about course
11 completion rates, 18 of them improved.

12 Just to give you an example, at the
13 University of Alabama, where they redesigned their
14 introductory mathematics courses, prior to the
15 redesign, 60 percent of the students failed to
16 successfully complete the basic freshman math course.

17 That's a big number, but it's not all that unusual,
18 particularly in mathematics. After the first year of
19 implementation of the redesign, that number dropped to
20 40 percent, and it's now at about 25 percent and
21 continues to improve. What's also significant about
22 the Alabama experience is that African-American
23 students did better than Caucasian students as a
24 result of the redesign. So, it really raised all
25 boats, but it also had a particular impact on less-
26 advantaged students.

1 Now, let me say a little bit more about
2 the program, because it had a particular focus. This
3 was Bob's point about picking targets as something
4 that I'm very fond of. These redesigns focused on
5 large-enrollment introductory courses, and we chose
6 these for a reason. Because, at community colleges
7 throughout the country, 25 courses enroll about 50
8 percent of the student body, and these same 25 courses
9 enroll about 35 percent of the student body at
10 baccalaureate institutions, so, the notion of focusing
11 on these top 25 courses, which really comprise about
12 42.5 percent of all undergraduate enrollment, this
13 seemed like a perfect target of opportunity.

14 Furthermore, on the academic side, high
15 failure rates in many of these courses, which
16 typically range at about 15 percent at research
17 universities, about 30 to 40 percent at comprehensive
18 state institutions, and can be as high as 50 to 60
19 percent at community colleges, failure rates in these
20 courses contribute heavily to overall institution
21 dropout rates between the first and second year. And,
22 completing them successfully are really key to
23 persistence to degree.

24 Now, the projects covered the whole
25 spectrum of higher education. We had research
26 universities like Carnegie Mellon, the University of

1 Wisconsin, Madison, we had community colleges,
2 Riverside Community College, Tallahassee, in Florida,
3 private institutions, University of Dayton, Hart --
4 I'm going to forget the name -- in Hartford,
5 Connecticut, and so we had a wide spectrum of
6 institutional types. We also crossed the spectrum of
7 disciplines. We had 13 projects in mathematics, in
8 quantitative subjects, six in the social sciences,
9 five in the natural sciences, and six in the
10 humanities, including English composition, Spanish,
11 fine arts, again, demonstrating that these redesign
12 techniques can work across the spectrum of disciplines
13 and institutions.

14 Now, I don't have time to go into the sort
15 of details of how we did it, but my written testimony
16 gives you some of those details, but let me just
17 mention sort-of four -- the key ideas in these
18 redesigns.

19 The first is that the redesigns take on
20 the entire course rather than a single professor's
21 class, because what you're, in essence, doing is
22 creating economies of scale by working on the course
23 as a whole and moving away from this notion of
24 professors teaching every course repetitively in, say,
25 40 sections of an introductory math course.

26 They all tried to move students from

1 passive learning, which is really the norm and the
2 reason for high failure rates, watching the professor
3 write on the board, if you will, to much more active
4 engagement with content.

5 They used technology where appropriate.
6 And, what do I mean by that? They don't say "put
7 everything online." This is not the solution. But,
8 the faculty designers sit down and analyze what parts
9 of the course will benefit from using technology and
10 what parts of the course should remain in more
11 traditional formats, so they're stepping back and
12 really redesigning the whole process of offering the
13 course.

14 And then, finally, the fourth key point is
15 the ability that technology gives you to scale good
16 pedagogy, because we know that it's easy to engage
17 students in a small seminar, say, of 10 students
18 sitting around an oval table, you know, our ideal of
19 education, but what the technology really allows you
20 to do is to scale some of these good principles of
21 pedagogy to classes of 500 or 1,000, and so, these are
22 some of the key points.

23 We believe that we, in this program, have
24 established a proof of concept, and that is that
25 information technology can be used to increase
26 productivity in higher education to change the labor-

1 intensive model of instruction and can affect key
2 courses that contribute to student persistence and
3 success, and we've subsequently replicated these
4 programs in a second national program that's funded by
5 the Department of Education as well as the number of
6 state-based programs that we're pursuing in
7 partnership with large college and university systems,
8 and that's where we're concentrating our efforts.

9 Now, what do we think is needed to scale
10 these techniques beyond these 60 programs, now, that
11 we're engaged in? One of the things that I'm asked
12 all the time, and you can imagine is, "Well, why won't
13 everybody just do this? I mean, it's a win-win. You
14 know, learning goes up, costs go down, why won't
15 people just automatically jump at it?" And, you'd be
16 surprised at the level of resistance and the reasons
17 that are there, so I firmly believe in creating this
18 better climate of accountability, because I think as
19 long as institutions can simply say, "Well, it's all
20 right if we have a 60 percent failure rate and our
21 costs are going up, and there's really nothing we can
22 do about it," then I think they'll, in essence,
23 continue to do nothing about it, so I'm very
24 supportive of your efforts to grapple with this
25 question of accountability.

26 Second thing is, I think we know -- we

1 need to know the facts. We need to know what some of
2 these failure rates are in these critical points of
3 student success in our institutions, and then, we
4 really need to shine a spotlight on the academic
5 problems that we face so we know where to target our
6 efforts in making these improvements. We've learned
7 through our experience that these freshman courses are
8 really critical and that these failure rates are very,
9 very high, but I think that's something that the
10 public, in general, is unaware of how serious the
11 problem is.

12 The third thing I think we need to do is
13 to showcase these redesign models and establish
14 programs to teach institutions of higher education how
15 to engage in these redesigns, because we firmly
16 believe that faculty and staff are not simply
17 resisting being innovative because they're willful,
18 but because they don't know how to do this. This is a
19 new concept, and where we've had a lot of success is
20 that we've taught in supportive institutions on how to
21 go about this. But, once they've learned it once, the
22 really intriguing thing about it is that they're
23 learning a different way of thinking about instruction
24 and they can go on and apply it in other courses, or
25 even, throughout the majors, and we've seen that
26 happen as well.

1 And then, finally, I think the fourth
2 thing that we need to do is to build incentives --
3 it's back to some of your familiar themes -- into the
4 ways in which we fund higher education at the
5 national, state, and local levels, that continue to
6 emphasize measuring learning outcomes and
7 instructional costs and making improvements, and
8 reward those who are making constructive changes,
9 create those incentives for those who want to move
10 forward, and frankly, penalize those who do not.

11 So, I'd be happy to answer any questions.

12 DR. DICKESON: Thank you, Carol.
13 Questions? Yes, Peter?

14 EX OFFICIO MEMBER FALETRA: This is really
15 exciting stuff. I have a interesting question about -
16 - I think, about the whole thing, though, that -- has
17 anybody ever given thought to the whole idea of "You
18 don't have to go to college for four years?"

19 DR. TWIGG: Well, there are lots of ideas
20 about accelerated three-year programs and things of
21 that kind.

22 EX OFFICIO MEMBER FALETRA: Yeah, usually,
23 they involve the same amount of coursework, it seems
24 to me, though. But, you know, the whole idea of you -
25 - we have a couple of physicists and an engineer here.
26 You know, there was a joke in engineering when I went

1 to school, is, when you get out of engineering school
2 and you got into the field, they say, "Forget
3 everything you learned, now you're going to learn what
4 you do in engineering," and is there any -- did you
5 look at any models that would, essentially, say, "You
6 don't have to take all this coursework, you don't --
7 you could actually go into the field and do
8 apprenticeships or -- has anybody looked at that sort
9 of thing?

10 DR. TWIGG: These kinds of ideas have been
11 around higher education for decades, accelerated
12 baccalaureates, it's a -- it was very popular in the
13 ideas of the 70s, and I think that my experience has
14 been that when you try to introduce a concept that is
15 sort-of radically reshaping what people do, it's very
16 difficult to make those kinds of changes, and so,
17 you've certainly seen them in pockets of higher
18 education.

19 I really believe what's necessary is to
20 give faculty and staff, really, tools of the
21 methodology that allows them to take advantage of
22 their own knowledge about their student bodies, their
23 disciplines, their cultures, and reshape them
24 according to certain principles that show results, you
25 know, rather than having kind-of a grand scheme, if
26 you will, about what's the solution on the academic

1 side.

2 EX OFFICIO MEMBER FALETRA: Because, it
3 just seems to me that if you had this model that you
4 have in cohort with the model of looking at what
5 different majors need in their different career paths
6 to learn what they need to learn to become successful
7 when they leave -- because, we had -- earlier in the
8 Commission, we were talking about, as secondary
9 schools don't prepare people for success in college,
10 colleges do the same sort of mistake by not properly
11 preparing people for success in industry, and one of
12 the Commission members from Boeing was expressing
13 this, and it seems to me that we've kind-of missed
14 that in this approach, and if we pay attention to both
15 of these, we could go a long way to solving the
16 problem for what I would consider a very important
17 part for middle-class families.

18 And, another question is, how -- you know,
19 and this goes to the whole Commission, was, how are
20 the members of the testimony here -- how many of these
21 solutions really go toward one of the biggest problems
22 for just middle-class American families, where we hear
23 this constant problem where an average-income family,
24 or, let's say, lower-middle-income family, which is
25 the bulk of Americans, I understand, by definition,
26 the difficulty they have in making the decision, "Do I

1 mortgage the house or take a second mortgage on the
2 house to send my first child to college, just to state
3 college, and then not really have enough money,
4 probably, to send the next child to college?" And,
5 are we serving the nation well in this idea? How are
6 we going to get around this problem? Is this going to
7 solve that problem?

8 DR. TWIGG: Well, my premise is that this
9 is sort-of part of the discussion in the last group
10 with Jim, and that is that you can have financing
11 redistribution schemes, but as long as the basic
12 production model, if you will, continues to rise, then
13 you're going to just have to have different kinds of
14 refinancing schemes, financial aid, whatever. You've
15 got to do something about what's driving the costs up
16 because of the nature of which -- the way colleges and
17 universities are organized.

18 So, I'm trying to address the issue of why
19 are costs rising? Are there things we can do about
20 that to lower it or contain it for all concerned?

21 DR. DICKESON: Let's move on to other
22 questions. Chuck, you were first.

23 COMMISSIONER VEST: Yeah, thank you. I'm
24 wrestling a lot, as I suspect my colleague
25 Commissioners are, on exactly what role of the federal
26 government should be all in this. Let me be very

1 explicit. I know a lot about some of what was done at
2 RPI. We had -- MIT adapted some of it, and, we like
3 to think, improved on it, but it's had big impact on
4 the way we teach, and particularly, in our
5 introductory physics courses.

6 We've developed something in our aero-
7 astro department called CDIO, Conceive, Design,
8 Implement, Operate, a totally new approach to the
9 education of undergraduates.

10 There are a lot of great experiments out
11 there, all of which have to do with improving learning
12 and almost always, not always, but almost always,
13 lowering cost and people-intensity.

14 But, the government didn't come to RPI and
15 say, "Invent this new thing for us," and, you know,
16 should we be setting standards? Should we be
17 promoting particular forms of pedagogy? What do you
18 think the government ought to do?

19 DR. TWIGG: Well, I think that one of the
20 things that this Commission can do, and certainly, the
21 government can do, is to start to change the
22 conversation about what's possible, and that's really
23 part of my message in the things that we're trying to
24 do is to say to people that this assumption that
25 things just have to go up in parallel, will that
26 always continue and we'll have to somehow live with

1 this? I'm trying to suggest that, no, that's not the
2 case, and that there are alternatives to that.

3 I'm also trying to suggest that you don't
4 have to change the entire university and do things
5 totally differently, but you can choose targets of
6 opportunity that have large impacts on both students
7 and on the overall cost of higher education.

8 So, I think that as I said, finding ways
9 to showcase these models, change the conversation,
10 create incentives for institutions to engage in them,
11 I think that can have a major impact.

12 DR. DICKESON: Dr. Sullivan?

13 COMMISSIONER SULLIVAN: Yes. First of
14 all, very helpful in the presentation. I have two
15 questions. One, if you could comment on why is it
16 that African-American students truly did much better
17 with this technology? And, my second question, as
18 well, this Commission is dealing with higher
19 education. All of us know this is only part of the
20 spectrum of the entire education experience, and our
21 K-12 is in serious trouble. Has this been done in K-
22 12, and what is the outcome there?

23 DR. TWIGG: Well, let me address the first
24 question. One of the things that they're doing at the
25 University of Alabama and in most of the mathematics
26 projects is creating what we call a math emporium.

1 This is something that was invented at Virginia Tech,
2 and in essence, what they've done is, rather than have
3 traditional classroom study, students work -- and,
4 it's basically a gigantic computer lab, but they're
5 not working on their own, they're working with
6 assistance on demand, if you will. So, students who
7 need more help, in essence, get more help. It's kind-
8 of like you're redistributing the tuition idea, and
9 students that can breeze along and excel, they can
10 breeze along and excel, basically.

11 What they speculate at Alabama is that
12 many students, and African-American students, in this
13 case, are hesitant to raise their hand in class, they
14 don't want to appear that they don't know something,
15 particularly at the freshman level when everything is
16 brand new to them, and so, by having these new formats
17 where they can work on their own, get help when they
18 need it, it's a private consultation, if you will,
19 because if you say, "I don't understand this," you're
20 getting that direct help that all of these factors are
21 helping to shape greater success rates. And, I forgot
22 your second question.

23 COMMISSIONER SULLIVAN: K-12.

24 DR. TWIGG: Oh, yes, I think I'm blanking
25 out because I get asked this all the time, so I say
26 I'm having a hard enough time with higher education.

1 But, I think there is no question that
2 these techniques will work particularly at the
3 secondary school level. I'm not so sure about the
4 elementary level, because, in essence, what you're
5 doing is asking teachers or faculty members to kind-of
6 step back from what they're doing, relying on a
7 textbook, writing on the board, everybody doing things
8 individually, and saying, "How can we work together to
9 achieve some of these principles?" And, I see no
10 reason that it wouldn't work at the high school level.

11 We're doing a couple of experiments now to
12 sort-of test that idea.

13 DR. DICKESON: Kati?

14 COMMISSIONER HAYCOCK: Yeah, one comment
15 and one question. I, by the way, had an opportunity
16 to go with Carol and visit the University of Alabama
17 to actually see what this looks like, and I would
18 strongly recommend to my fellow Commissioners you do
19 that. It's fabulously interesting.

20 But first, the comment. One of the things
21 that we -- that has happened to us as a Commission is,
22 like so many others interested in and concerned about
23 higher ed., we have a tendency to attribute many of
24 the student learning problems that we have talked
25 about to unprepared students. One of the things that
26 I have learned, in part through Carol is, how many of

1 the students who enter meeting our standards are still
2 failing the -- in these entry-level courses, and the -
3 - so, thinking about that is just hugely important for
4 us, and not just assuming that all of our problems are
5 really about poor preparation in high school.

6 But, the second thing, Carol, in both
7 comments and in writing, you have sort-of addressed,
8 at least, tangentially, our concern with measures of
9 student learning, and one of the things that you have
10 said is, you know, sort-of setting aside, for the
11 moment, the issue of "do we need a kind-of test like
12 CLA or others to measure student learning," that there
13 are some existing measures, including course pass
14 rates, that we ought to be making more use of. Could
15 you elaborate on that a little bit?

16 DR. TWIGG: Yes, and my friend, Peter
17 Ewell, over here, is probably going to have a stroke,
18 you know, when I say, at least look at grades as
19 outcomes. Again, I'm focused on these critical
20 courses and I know all the problems in grades and
21 grade inflation, and that kind of thing, but if you
22 simply took a system -- you know, in my old system,
23 the State University of New York, and looked at course
24 completion rates and then broke them down, perhaps, by
25 ethnicity, if you're interested in that issue, to see
26 what they look like across the spectrum of higher

1 education, to see in which of these top 25 courses the
2 problems exist, I think it would really open a lot of
3 people's eyes to the severity of the problem.

4 Again, I go back to -- I'm not really
5 worried about students at Harvard or Penn. You know,
6 I'm worried about students at Alabama, for example,
7 where these problems are so large, and I'm not worried
8 about those courses where things are fine. You know,
9 I don't think we have to change every course in higher
10 education, but we know if you look at just some of
11 those simple outcome measures that you're going to
12 find a serious problem.

13 I'll give you one statistic, and I'm not
14 going to tell you the district, because I think it
15 would be embarrassing, but a rather large community
16 college district in this country, the Chancellor told
17 me they did an analysis and it took 38,000 enrollments
18 in mathematics courses to produce 600 students who had
19 successfully completed their college requirement in
20 mathematics.

21 Now, you know, if those numbers are
22 typical, and I don't find people that are wildly
23 surprised that there -- if they're working in the
24 trenches, I think that's something we need to know so
25 that we can start to focus attention on addressing
26 those academic problems.

1 DR. DICKESON: Rick, and then Bob.

2 COMMISSIONER STEPHENS: Thanks, Carol.
3 Two quick questions. One is, what do you believe is
4 the number one impediment that is causing course
5 redesigns to not go where it could be? And,
6 therefore, the second question is, what do you believe
7 is the number one incentive that will cause behavior
8 to change?

9 DR. TWIGG: I firmly believe the number
10 one impediment is that institutions don't have to
11 respond to these things. There was a very interesting
12 paper -- the Lumina Foundation put out a series of
13 papers in this meeting they had on college costs from
14 some people in Michigan who pointed out that when the
15 governor had extracted five percent of the budget and
16 said that they would return 3.5 percent if they kept
17 tuition levels at a certain percentage, it was amazing
18 how everyone did it, and I think that if some of these
19 incentives, and I'm -- you know, I'm not going to tell
20 you what the right ones are -- that are put in place,
21 then, institutions will start to look at people like
22 us and others and some of these others about
23 outsourcing to try to solve the problems, but as long
24 as they can, you know, as several of you have pointed
25 out, simply raise prices and scrape by and change the
26 tuition, you know, only people who are sort-of trying

1 to do good in the world, if you will, are responding,
2 and there are a lot of them in higher education, but I
3 think that's the main problem.

4 DR. DICKESON: Bob, then Gerri.

5 COMMISSIONER ZEMSKY: Also a follow up to
6 Chuck's question about what the government could do,
7 you talk about that the average savings is 37 percent,
8 and that this is the kind of -- is it clean enough
9 that it's real savings, that the government could
10 create a loan bank? That you could go to the loan
11 bank to get the funds to do this and the savings would
12 be so real that you would pay it back through that?

13 DR. TWIGG: Let me qualify. That's great,
14 because I've thought about this idea. It -- the
15 savings, obviously, is faculty time translated into
16 dollars for their salary and benefits, because that's
17 what's being exchanged. In some instances, it
18 translates immediately into actual dollars, say, we
19 have redesigns where the full-time faculty have taken
20 over the course and adjuncts are no longer necessary,
21 so that turns into cash. In other instances, it is
22 serving twice as many students with the same
23 instructional resource, so you're increasing revenues,
24 and the costs are going down, so there are variations
25 on the theme, but if you look at an overall
26 institutional budget, those are dollars that you're

1 paying for, in essence, so that notion of a loan that
2 could be repaid, I think, is very feasible.

3 We've recommended it with these individual
4 institutions at the departmental level so that --
5 because, what we're trying to encourage now is for
6 institutions to support these redesigns rather than
7 always looking for an external grant, but it's that
8 same idea, that you can pay that back.

9 DR. DICKESON: Gerri?

10 CHAIRMAN MILLER: That's an annual savings
11 rate?

12 DR. TWIGG: Yes, because it's operating
13 costs.

14 CHAIRMAN MILLER: So, it's not a \$3
15 million savings, --

16 DR. TWIGG: It's much higher.

17 CHAIRMAN MILLER: Thank you.

18 DR. TWIGG: And, let me also -- I'm going
19 to -- I want to add this. We are not calculating the
20 costs and savings of increased retention, which is a
21 calculation you could do. We're not calculating the
22 costs of safe space -- space savings, which, again, is
23 a calculation you could do. We're not amortizing it
24 over the life of the course, which, again, in
25 introductory courses, that life is fairly substantial.
26 I mean, college algebra doesn't change dramatically

1 each year. So, in fact, I believe that we understate
2 the savings in an attempt to be conservative.

3 DR. DICKESON: Gerri, and then the final
4 question from David.

5 COMMISSIONER ELLIOTT: Fantastic program,
6 Dr. Twigg.

7 DR. TWIGG: Thank you.

8 COMMISSIONER ELLIOTT: We've seen this
9 integration of technology into the teaching/learning
10 process around the world and with similar results, and
11 Dr. Sullivan, we see it in K-12 as well, with similar
12 results.

13 Talk about something that was missing, I
14 think, from your report. Talk about the faculty.
15 Talk about what happens in terms of their mindset when
16 these programs were rolled out.

17 DR. TWIGG: Yes, well, when I give a
18 longer presentation, I have a slide that has my happy,
19 dancing faculty graphic on it because the reality is,
20 though, it's like my favorite professor at Penn State
21 that was -- taught statistics, you know, for 25 years,
22 and stood up in front of 200 kids and rattled on, you
23 know Now, he's designing different experiences, he's
24 moving among students in the lab, he's getting to know
25 them on a first name basis, and so I would say without
26 doubt, the faculty find this to be immensely rewarding

1 because they're seeing -- a, they're kind-of in charge
2 of their destiny, they're making these decisions in a
3 very creative way, but they're also seeing tremendous
4 results in terms of student success and student
5 satisfaction, and, of course, the other question I
6 always get is, then, do the students want more of the
7 same? And, of course, that is another impact. The
8 students say, "Why can't we study this way in other
9 kinds of courses?" So, it is -- it's -- faculty are
10 the ones really driving this, they're making the
11 decisions, and they find it very worthwhile.

12 COMMISSIONER ELLIOTT: Great.

13 DR. DICKESON: David? Final question.

14 COMMISSIONER WARD: Okay. Carol, thanks
15 so much for the presentation. You've been one of the
16 people, I think, who have set a best practices model
17 in so many, many areas, and one of the challenges for
18 those of us who believe we were reformers in this
19 first and second year of mass higher education, was
20 the scaling problem, and people have asked you a
21 little bit about obstacles, and I think you've
22 answered them well. One of the challenges that
23 intrigued me was the fact that many of our
24 institutions, the faculty have a higher loyalty to
25 their discipline than their institution. Their sense
26 of intellectual community is, particularly with e-mail

1 and everything else, now, extra-the institution
2 itself, and one of the things that amazed me as we
3 tried to use the chemistry experiment which was, I
4 think, quite successful, how difficult it was to
5 transfer it in a discipline sense without also
6 starting from scratch, and yet, the chemists were
7 talking to each other, and so, in a certain way, there
8 may be a challenge here, there may be a diffusion
9 challenge or a faculty culture challenge that's not
10 just institutional but sort-of a disciplinary openness
11 to innovation that we need to understand if we really
12 want to do the change.

13 The second observation I'd like to make is
14 whether our purpose is naturally just to advise the
15 government but rather to give what you might call
16 exultations to self-improvement to higher education,
17 and therefore, anything which smacks of best practices
18 and that seem like they work and which have a kind-of
19 strategic and very pointed, directed, middle-term
20 effect, those, too, could be recommendations that
21 would be helpful without, necessarily, the
22 intercession of the government.

23 DR. TWIGG: Well, one thing I want to also
24 comment is that, you know, we certainly have had
25 experiences where the transferability within an
26 institution has been much greater in some than in

1 others, and I do believe that this is where the
2 administration plays a very, very important role,
3 because when the administration approaches this
4 redesign process as well as trying to get the campus
5 reoriented to thinking new and starts to play it up
6 and build it and support it, that's where you start to
7 see the diffusion, so Kati witnessed at Alabama,
8 they're doing it in 10 different disciplines at this
9 point, Virginia Tech is teaching 25 courses in the
10 math emporium, again, and so, that's where I think the
11 role of the administration is really critical. It's
12 not simply a faculty effort. They are important,
13 obviously, but having that kind of support and broader
14 vision of where you're trying to go is really
15 necessary.

16 DR. DICKESON: Thank you, Carol.
17 Excellent. Our final presentation is about online
18 learning and about expanding the possibilities of
19 online learning on a more global scale, and our
20 presenter is Dr. Frank Mayadas, who, as you can tell
21 from his information, spent most of his professional
22 career in private industry, in IBM, R&D, and now is
23 the Program Director for the Alfred P. Sloan
24 Foundation. Frank?

25 DR. MAYADAS: Thank you, Bob. Thank you,
26 Chairman Miller. Thank you, Commission members.

1 Cognizant that I'm the last speaker before the break
2 and recognizing the dangers in that, I'll keep my
3 message quite short.

4 And, it has to do as much with people as
5 it has to do with higher education, and, in
6 particular, I'd like to discuss the possibility of a
7 program.

8 The American workforce deserves, today,
9 the opportunity to improve skills and acquire new ones
10 to have a fighting chance in this global economy, and
11 the way we can do that, now, is through the
12 opportunity that is afforded to us by online
13 education. I recognize that this is but element of
14 competitiveness, it's not the whole story, but it's an
15 important one and it's one to which the federal
16 government can provide impetus.

17 So, my remarks this afternoon are going to
18 be short but they will touch on three things: the
19 status of online learning, the American workforce, and
20 the role of the government.

21 First of all, online learning today is, I
22 would call -- what I would call mid-scale. It is well
23 beyond the prototyping and experimental stage.
24 Sometimes, the word "online learning" conjures up
25 images of some lonely soul accessing text materials
26 like a book, maybe software and simulations, and

1 trying to absorb all that on their own. That is not
2 the reality in higher education.

3 Nearly all accredited institutions of
4 higher education who, today, teach courses online do
5 so in very much a way that takes the best practices
6 from classrooms and puts them online. Class is led by
7 an instructor, the class size, typically, is about the
8 size that one would have at the university, all
9 students have access to the same materials, and
10 there's plenty of interactivity among the instructor
11 and among the students. In short, all the elements
12 that we associate with campus environments are there,
13 except now, we have the option of doing this
14 asynchronously, that is to say we don't require
15 meeting at a particular time and a particular place.

16 From our surveys which we do annually, and
17 I brought a copy which I'll leave here, a couple of
18 copies of the most recent survey, we know that
19 enrollments in online learning, online courses, are
20 growing at about 20 percent per year, and we expect
21 that this year, about three million learners will take
22 at least one class entirely online.

23 A very wide range of institutions is
24 involved. The large publics, privates, community
25 colleges, and the newer for-profits such as Phoenix,
26 Kaplan, Walden, Capella, and so on, who are growing

1 faster than the 20 percent number that I cited.
2 Online delivery of education is, today, practiced by,
3 pretty much, 100 percent of the large publics, that is
4 to say, the likes of the Penn States, University of
5 Illinois, University of Texas, and all the other big
6 ones. Online education is also very strongly
7 represented in community colleges and it is a good
8 presence in the privates, though they are the lagging
9 category.

10 Faculty who have taught online courses
11 tell us in survey after survey -- they tell us it's
12 more work, and then when we ask them more, they tell
13 us that they would teach the course again. And, so,
14 flexibility, which we think of as benefiting the
15 student, benefits everyone in this case.

16 Here's the picture with respect to cost.
17 Once a course is developed for online delivery, it is
18 less expensive for the college to deliver it to a
19 remote student than an equivalent course with an
20 equivalent instructor in an equivalent college's face-
21 to-face program.

22 Little college infrastructure is used to
23 support the student. No need for security, parking
24 lots, recreational facilities, climbing walls, and so
25 forth, electric power, and heat. And, we know, for
26 instance, that further cost reductions can easily be

1 accommodated into these programs through the kinds of
2 efforts that Carol has described, so the cost picture
3 can only improve. I will say, because labor cost in
4 this style of education, is the single largest
5 element, the cost reduction in online versus
6 traditional is not huge. It runs from about 20
7 percent to 10 percent or so below the cost of teaching
8 the class at the campus.

9 The American workforce must acquire and
10 practice the most up-to-date skills, and I would say
11 not just state of the art, but beyond state of the
12 art, and the reason is that the American workforce
13 does not and cannot compete on labor costs. It must
14 compete on greater productivity. Therefore, the
15 latest skills in finance and logistics, engineering,
16 and design, software, medical and biological fields,
17 and in manufacturing, and consulting and services must
18 also be imparted to the workforce. Many of these are
19 learned in the workplace, but the principles and broad
20 applications are learned through organized courses.

21 Not all kinds of courses related to the
22 workforce are available today, but enough are, and
23 more will be developed to fill out the total picture.

24 We will need more development of courses, but we have
25 enough to start.

26 Any large scale impact on the American

1 workforce through education will have to utilize
2 online methods. For learners, I had mentioned earlier
3 that colleges benefit in terms of cost. It's a bit
4 less cost for them. For learners, online means
5 acquiring a quality education and new access to
6 education, and it also means lower expense. There is
7 the tuition and fees expense which is roughly
8 equivalent, but there is no commuting expense or even
9 the necessity for occasional time off from work, and
10 certainly, there's no need to rush out to the -- rush
11 out of the workplace at 4:30 to grab dinner and then
12 on to a 6:30 class. For the learner, too, then, these
13 online classes are cheaper.

14 Online education is available today at
15 reasonable scale, it is well beyond the prototype
16 scale, new courses and programs are being added every
17 day, and the thing we know is that this stuff works
18 and it is working for people today.

19 Pace University in New York offers an
20 associates degree, today, in telecommunications,
21 intended to provide a moderate underpinning in
22 telecommunications for network technicians in the
23 industry. Typically, I'm referring to those
24 installing and repairing the newer kinds of digital
25 equipment needed for a broadband economy. Pace has
26 enrolled a few thousand in this program, known as

1 NACTEL. They have students enrolled from every state
2 in the union. The program is seen as one with the
3 highest quality by the industry partners, Verizon,
4 AT&T, Qwest, and Citizens. AT&T has waived its
5 internal testing for higher level technician positions
6 for those who graduate from this program.

7 Therefore, one final conclusion I reach is
8 that not only is the cost better for a university,
9 it's better for the learner, and the companies see it
10 as better for themselves, as well.

11 Except to participate in the graduation
12 ceremony, no one goes to Pace University.

13 I could tell you a very similar story for
14 the electric power degree program that's offered by
15 Bismarck State College in North Dakota. You wouldn't
16 end up in North Dakota, going to Bismarck State
17 College by accident. It's not particularly easy to
18 get to, but Bismarck State enrolls students from every
19 state in the union in their program, three degrees for
20 electric power, for the electric power industry. And,
21 believe me, we will need new operators, system
22 operators, power generation plant workers, and line
23 workers as we gradually begin to fix the energy supply
24 system in the country. And, you'll recognize the sort
25 of names in their industry consortium. Large
26 companies such as Exxon, Pepco, Oklahoma Power and

1 Gas, and many, many others, and very high satisfaction
2 levels from industry, itself.

3 I could tell you another one about New
4 England College of Finance and their online programs
5 for the finance industry, but I promised to be short.

6 Now, not surprisingly, I've emphasized
7 associates programs, and the reason is that when you
8 begin to talk about the workforce, you are talking,
9 largely, about the community college associates level
10 programs, accredited and nonaccredited, both.

11 We might think a little bit beyond that
12 and think of the San Jose States and other four years
13 that might participate in such a program. The large,
14 prestigious, and very research-oriented institutions
15 are unlikely to be big players in a workforce program.

16 Finally, a few comments about the federal
17 government. The federal government has, at key
18 moments, stepped up to undertake quite revolutionary
19 programs in higher education, and I cite the
20 establishment of land grant colleges and the GI bill
21 in my written materials. The federal government can
22 make financing available to learners in the workforce
23 that will enable access to online education for skill
24 development and enhancement.

25 We have mechanisms in place already. All
26 the Title IV programs, all the things that Barry

1 mentioned earlier, my list is a lot shorter than his,
2 except, he left off Stafford loans on his list, so
3 I'll mention that. All these exist today. These need
4 to be tuned, updated, and funded so that they really
5 apply and make a difference to the working adult.

6 I will cite you two changes that are
7 likely to be needed. One is that nearly all these
8 programs are required eligibility for eligibility that
9 you are working on a certificate or a degree. For
10 workforce upskilling, that may not be necessary, a
11 couple of courses may be all you need. So, the
12 requirement for a full credential does not really
13 apply to the sorts of cases I'm talking about. It
14 should be there, but there should also be flexibility,
15 to, to account for individual courses.

16 The other big impediment is the
17 requirement that I see again and again that the
18 learner be at least half-time, and that simply won't
19 work for the workforce, so, much less than half-time
20 will have to be put into the system as well.

21 I have not tried to define all the details
22 of what a new GI bill, here, would be, but I just
23 remind you that a different time, under a different
24 President, a different government, the government made
25 a huge difference, and they did it over the objections
26 of academia, who argued that the GI bill would degrade

1 quality, and over the objections of legislators who
2 argued the cost would be prohibitive. I do ask you to
3 think about the possibility of something resembling
4 the GI bill for the American workforce in today's
5 economy.

6 Online learning is here, it can be applied
7 to skill development, and the government can be the
8 catalyst to bring this about on a scale that really
9 makes a difference.

10 Thank you.

11 DR. DICKESON: Thank you, Frank.
12 Questions? Art.

13 COMMISSIONER ROTHKOPF: Yeah, I have to
14 start off by confessing that I, during my college
15 presidency, did build a climbing wall. What can I do?

16 On your point about -- I think I'm right
17 about saying you were saying one of the impediments to
18 the further use of online education was this 50/50
19 rule. I think that's been repealed, but if not,
20 there's a lot more going on, but I believe it has been
21 repealed.

22 DR. MAYADAS: I wasn't talking about the
23 50 percent, I was talking about the requirement that
24 you be working toward a degree.

25 COMMISSIONER ROTHKOPF: Oh, 50 percent,
26 it's not that you have to have 50 percent of seat

1 time.

2 DR. MAYADAS: No.

3 COMMISSIONER ROTHKOPF: Because, that's
4 now -- let me ask you a question, then --

5 DR. MAYADAS: I'm sorry, the other 50
6 percent is that you have to be a half-time student,
7 going to school half-time.

8 COMMISSIONER ROTHKOPF: I think you may,
9 and others may know more, I think that rule was --

10 DR. MAYADAS: Okay.

11 COMMISSIONER ROTHKOPF: -- eliminated at
12 the end of last year. But, let me go to a point, and
13 I have to say, I'm very sympathetic to what you're
14 saying, but I hear from others in the education
15 community that, on the question of quality and
16 assessments, and I'd be interested, are there any
17 independent studies out there that compare the results
18 of online training or online education in different
19 fields from those who are going to the traditional
20 bricks and mortar institutions than those who are
21 going to the online, in terms of assessments,
22 outcomes, which -- accountability, the things that
23 this Commission is very concerned with? And, I mean,
24 independent studies, other than from the industry?

25 DR. MAYADAS: That's a really good
26 question, and let me answer it in the following way:

1 There are not independent studies on that matter, and
2 one reason is that the populations and the
3 circumstances are extremely different for the two
4 cases. In some cases, we find the online learners,
5 and I'm talking, now, about studies at individual
6 institutions, and I went back and looked at the
7 University of Central Florida, Bismarck State, Pace
8 University, and Stevens Institute of Technology, all
9 of whom have very active online programs.

10 Their own work, if you can believe their
11 numbers, which I do, students enrolled and so forth,
12 you have to look in the number of dimensions: What is
13 the perception of the student in terms of the learning
14 effectiveness achieved, the perception of the faculty,
15 perception of the employer, and as much impartial
16 perception as you can get, for instance, are the
17 projects about equivalent quality -- semester-long
18 projects? They've tried blind tastings. Don't tell
19 anyone where this project came from. Was it online or
20 was it done in the classroom, and so forth?

21 Again and again, well-designed courses
22 taught by experienced faculty produced at least
23 equivalent results, in some cases, better results, and
24 I attribute the better results to the fact that it's a
25 different population, older, more motivated people.

26 I'm sorry, I gave you a long-winded

1 answer, but that's really the way it is.

2 DR. DICKESON: Jim?

3 COMMISSIONER DUDERSTADT: There isn't a
4 single kind-of sweeping study of this subject.

5 COMMISSIONER ROTHKOPF: I appreciate that
6 answer, thank you.

7 DR. DICKESON: Jim?

8 COMMISSIONER DUDERSTADT: Frank, the Sloan
9 Foundation should be commended for the leadership role
10 you've played in developing much of this technology,
11 and, in fact, Carol and others have indicated the
12 degree to which many of the foundations have been
13 investing and developing the technology, the pedagogy,
14 and so forth, but what I hear time and time again is
15 that federal organizations, the National Science
16 Foundation and others, really have not been investing
17 adequately in the fundamental R&D, the rigorous major
18 mode of learning outcomes, the new kinds of pedagogy,
19 the application of what we're finding out, cognitive
20 science and brain research, and so forth. It's always
21 struck me that in an economic sector about as large as
22 healthcare, we're spending about one percent of
23 federal investment in the R&D that create these new
24 tools, but we're spending in the healthcare to create
25 new approaches there.

26 You didn't mention the federal

1 government's role in that important area, and I'd be
2 interested in your opinion of whether that investment
3 is shy of what it should be right now.

4 DR. MAYADAS: Yeah, I think that's a good
5 idea, Jim, and I appreciate your remarks earlier about
6 our role.

7 The -- I think, in fairness to NSF, in my
8 conversations with them, they have struggled with a
9 way to grab -- find a hook to grab on to this thing,
10 and I think what you're suggesting is the kind of
11 thing that might be a hook, and it should be done.

12 They have done some very exemplary work,
13 and I appreciate what they have done there, is to
14 support labs. What can you do with online
15 laboratories, how do you handle that, that sort of
16 thing. That's extremely important. Eventually, it
17 will become really important, and it can be done, but
18 it has not been accomplished.

19 So, there are things for them to do. I
20 think they need some encouragement.

21 DR. DICKESON: Well, ladies and gentlemen,
22 we're at the end of our time. I think you have
23 participated in five very different and very relevant
24 perspectives in this thorny issue of affordability.
25 Would you join me in thanking the panel for
26 presenting?

1 (Applause.)

2 I turn it back to you, Mr. Chairman.

3 CHAIRMAN MILLER: We do appreciate very
4 much your participation and patience. As people who
5 have come to the Commission before, we have long sit-
6 tability, we don't take breaks, but we do appreciate
7 all your input. It will be carefully considered and
8 used properly. Thank you.

9 We're going to stay at our table and make
10 the change for the next panel. Those of you that need
11 to move, please do that, and take a break. In order
12 to get the full time in, we'll do that.

13 (Off the record.)

14 CHAIRMAN MILLER: Since we have an easy
15 topic that will go smoothly without any controversy, I
16 would like to ask the three of you to make the
17 presentations, and then we'll do questions and answers
18 at the end of that time period. We'll allow you the
19 same time as otherwise. Carol?

20 DR. D'AMICO: Thank you, Mr. Chairman,
21 members of the Commission.

22 Thank you for inviting me here today to
23 moderate this distinguished panel. I interpreted the
24 role of moderator very liberally and I've taken the
25 liberty of making a few comments of my own before
26 turning it over to my colleagues.

1 CHAIRMAN MILLER: Excuse me, Carol. Would
2 you mind, I beg your pardon for interrupting, but you
3 do have an official post beside being CEO of a
4 college, in that sense, if you wouldn't mind --

5 DR. D'AMICO: I do. I'm going to give you
6 my various --

7 CHAIRMAN MILLER: Thank you.

8 DR. MAYADAS: -- capacities, here, in the
9 interest of full disclosure. I am Executive Vice
10 President of Ivy Tech Community College of Indiana,
11 Indiana's community college system, comprising 23
12 campuses around the state and involving close to
13 75,000 students. I'm also Chancellor of the system's
14 largest region, Central Indiana, with 14,000 students,
15 and last year, we were named the fastest growing
16 community college by the Community College Times. I'm
17 also Chair of the National Advisory Council on
18 Institutional Quality and Integrity in Higher
19 Education, or NACIQI. NACIQI, as you know from your
20 background materials that you were sent, makes
21 recommendations to the Secretary in recognizing the
22 organizations that accredit colleges and universities.

23 Mr. Chairman and members of the
24 Commission, I'm quick to tell you, while I hold all of
25 these titles and I'm very fortunate to do so, I'm here
26 to represent none of them and speak on behalf of none

1 of them, other than myself.

2 In a previous life, I was -- served as the
3 Assistant Secretary for the Office of Vocational Adult
4 Education and the administration's liaison to
5 community colleges from March, 2001, through June,
6 2003.

7 I want -- going to focus my remarks today
8 on the relationship between accreditation and
9 community colleges in some respect, and then talk
10 about the accreditation process as it relates to the
11 role of NACIQI.

12 Simply put, for the language of the Higher
13 Education Act suggests that NACIQI represents our
14 governments and citizenry, the students and the
15 parents, receiving financial aid, their needs for
16 assurance that federal tuition grants and federal
17 loans are expended in institutions that meet standards
18 for capacity and quality. Although we rely on
19 accreditation -- accrediting agencies to inform the
20 council about the capacity and quality of institutions
21 of higher education, the council is charged with
22 review of the accrediting agencies and with making
23 sure that the standards they use will give us
24 confidence in the processes of accreditation and the
25 resulting recommendations to the council.

26 The paper that you were sent, and I think

1 there were a few papers that were sent, raised some
2 important questions on the accreditation process and
3 criteria. Allow me, today, to raise a few more for
4 the sake of our discussion here today.

5 I'd like to pose the question of whether
6 NACIQI is playing enough of a role in setting
7 standards and examining existing standards for
8 accreditation agencies. Are we really confident that
9 the standards of accreditation offer accurate
10 assessments of the capacity and quality of higher
11 education institutions? Are they the right standards
12 of quality in today's fast-changing landscape of
13 higher education? Or, by not sufficiently employing
14 the leadership opportunities available to us, are we
15 simply protecting an institutional status quo in
16 education and in accreditation?

17 One important contribution NACIQI can make
18 is to challenge its constituents, the accreditation
19 agencies, to think hard about the quality of their
20 educational services and the accuracy of their vision
21 of what education is today, and specifically, the
22 higher education role of community colleges which
23 serve half the undergraduates in America.

24 I don't think we are doing enough of this,
25 and consequently, accreditation is not, perhaps, what
26 it can be. For example, consider today who enrolls in

1 community colleges and what we do in community
2 colleges. One, there have been huge enrollment
3 increases in community colleges over the last 20
4 years. It is, indeed, the fastest-growing in terms of
5 enrollment sector of higher education. Working adults
6 are seeking post-secondary education in greater
7 numbers. Only one in five community college students
8 look like a traditional full-time student. Two-thirds
9 of younger students and more adult learners are
10 starting their education in community colleges and
11 completing it elsewhere. These are career-oriented
12 students and these are adults who are reeducating
13 themselves and building their careers or building for
14 their second, third, fourth, fifth, sixth career.

15 There are new requirements for educational
16 services and technologies for these students. More
17 prevalent in community colleges, distance education,
18 hybrid courses, accelerated programs leading to
19 different kinds of credentials, not necessarily the
20 traditional degrees, we are doing more and more
21 reeducation and developmental education, and we are
22 looking at new ways of credentialing our students.
23 Again, not necessarily the traditional degree.

24 What do accrediting agencies have to say
25 about these new kinds of delivery, about community
26 colleges? Not much, actually. The standards are

1 geared toward traditional universities, assuming
2 traditional instructional delivery of face-to-face
3 instruction by full-time faculty. Community colleges,
4 for almost all practical purposes, are treated pretty
5 much the same as the research institutions are when it
6 comes to accreditation and the regional accreditation
7 bodies.

8 How does the accreditation process help
9 community colleges offer the kinds of educational
10 experience that students need in their careers? How
11 does it measure student learning and readiness for the
12 sophisticated skill sets required of today's high wage
13 employment opportunities? And, how do accreditation
14 standards of quality help us offer the kinds of post-
15 secondary education attainment that students can
16 reasonably obtain in the midst of their adult lives?

17 I maintain that the framework of
18 accreditation, or core values, if you will, should be
19 examined for new kinds of higher education delivery,
20 and, in fact, the core values may be counterproductive
21 in serving our diverse students and multiple missions.

22 Some time ago, my colleague, Judith Eaton,
23 of CHEA, outlined some challenges posed by distance
24 education. The article stated very clearly the six
25 core values of education that accreditation is based
26 on and contrasted these to the challenges of distance

1 education. With Judith's permission, I think it's
2 worth looking at the chart in her article, and you
3 have my paper in front of you, that you can see these.

4 The core academic values of accreditation
5 are institutional autonomy, collegiality and shared
6 governance, intellectual authority of faculty,
7 reliance on the degree, the importance of a core
8 general education, and the importance of site-based
9 education.

10 And, you see the challenges, Judith's
11 term, of distance education or alternative delivery
12 challenging those core values.

13 I would point out two considerations of
14 this chart and take it just out of context for just a
15 moment. First, the challenges identified there are
16 not challenges at all in community colleges, rather,
17 they are conditions of existence that describe the
18 ways we deliver much of education. For instance, at
19 Ivy Tech Community College, about 40 percent of all of
20 our classes can be taken online. All of our general
21 educational requirements at the college are offered
22 through distance education as well as in the
23 classrooms, and we blend many degree programs with
24 credentials. We offer accelerated programs. And,
25 these conditions arose not because we in community
26 colleges have dropped our guard on values but because

1 we are responding to a group of students who have real
2 needs for education provided this way.

3 Fifty-four percent of the college students
4 in the United States attend community colleges. And,
5 as we noted, only about 20 of these student -- 20
6 percent of these students look like traditional
7 students.

8 Our students are asking and seeking
9 educational solutions to barriers they encounter in
10 higher education. These solutions should not be
11 viewed as challenges that assault our core values.

12 Second, the imposition of these values and
13 the requirements for the infrastructures to support
14 them may, in fact, exasperate significant restrictions
15 on the ability of community colleges to respond to the
16 needs and characteristics of our students.

17 For example, how do the core values of
18 accreditation work to answer these questions: Why are
19 graduation rates so low in many accredited community
20 colleges? Why do average students of accredited
21 community colleges take several years to complete a
22 so-called two year degree? How do we make post-
23 secondary education an occupational education more
24 widely accessible to individuals -- adult, working
25 individuals, who need it? How do we assure that
26 students are acquiring the necessary knowledge and

1 skills?

2 These questions reflect our concerns about
3 what knowledge and skills students receive in
4 educational institutions and they are questions on
5 which accreditation has been, and still is, largely
6 silent and largely defensive. None of the core values
7 address the critical issue of being accountable for
8 what and how much students learn.

9 Another way to look at these questions is
10 through a value perspective. The questions I pose
11 revolve around a core value of how well we serve our
12 students, how we help students obtain higher education
13 that will make a difference in their lives.

14 These questions are among the key issues
15 now facing community colleges and beg for new
16 solutions and new concepts and openness to new ways of
17 delivering education, yet current practices in
18 accreditation may divert attention from solutions to
19 these questions and, unfortunately, turn them into
20 challenges to the core values.

21 On the contrary, I would argue that these
22 issues present rich opportunities for us to identify
23 new values that can fully support confidence in
24 education and in educational quality, especially for
25 those students who comprise a majority of students in
26 community colleges and who, I would suggest, are an

1 increasing proportion of students in other
2 institutions as well.

3 Finally, the identification of core values
4 in Judith's chart raises questions about the ways
5 accreditation codifies the core values of education.
6 These six core values may reflect an idealized picture
7 of a university, but we should not make the error in
8 logic that these must be the only values that concern
9 us. We need to rethink how these values and other
10 relevant values can be incorporated into accreditation
11 and brought into NACIQI's mission.

12 Finally, while I have the floor, I would
13 like to draw attention to how our system is focusing
14 on outcomes that affect student achievement.

15 We believe there is no other community
16 college with this level of commitment to results. At
17 Ivy Tech Community College of Indiana, we have
18 established four overarching goals for our system by
19 2010, and you can see that in the strategic plan that
20 I've handed out. By 2010, we are committed to a 50
21 percent increase in the percentage of our students who
22 earn technical certificates, a 50 percent increase in
23 the percentage of our students who earn associate
24 degrees, a 50 percent increase in industry-recognized
25 certificates, and a 50 percent increase in successful
26 transfers to four year institutions of

1 prebaccalaureate students.

2 The overarching goal for increasing
3 program completion will be achieved in the context of
4 a balanced score card that will measure progress in
5 specific metrics dealing with enrollment, remediation,
6 retention, economic results for completers, employer
7 satisfaction with graduates, and even instructional
8 efficiency and innovation, and you have that balanced
9 score card in this document.

10 We are working with FutureWorks to
11 identify high-impact strategies to achieve these
12 ambitious goals that involve increased use of
13 technology, more accelerated programs, and more
14 infusion of real-life experiences in awarding of
15 college credit. We are hopeful that these strategies
16 that focus on students' achievement of degrees and
17 certifications can peacefully coexist with the root
18 intent of accreditation.

19 So, with that, I am going to turn it over
20 to two of my colleagues, Judith Eaton, and I believe
21 you have her paper in front of you, and her bio, and
22 Kay Norton, who are going to give their perspectives
23 on accreditation as it relates to higher education,
24 and then, as the Chairman said, we will open it up for
25 questions.

26 Ms. Eaton?

1 DR. EATON: Carol, thank you, and members
2 of the Commission, good afternoon. It's my pleasure
3 to be here.

4 The Council for Higher Education
5 Accreditation is a private, nonprofit institutional
6 membership organization of some 3,000 degree-granting
7 colleges and universities. Our purpose is to
8 coordinate accreditation at the national level. We do
9 that primarily through a focus on federal policy
10 issues related to accreditation such as the national
11 advisory committee, and we do that by recognizing or
12 scrutinizing accrediting organizations for quality
13 based on standards that we have developed. Some 60
14 institutional and programmatic accrediting
15 organizations have been reviewed by CHEA and
16 recognized. I have five points to make this
17 afternoon.

18 My first point is about success, and it's
19 to offer congratulations to you, Mr. Chairman, and to
20 the members of the Commission. You said from the
21 inception of this Commission that you wanted to spark
22 a national dialogue on higher education issues.
23 Even though you are several months away from your
24 report and recommendation, you have already achieved
25 this particular objective. We're having a lively
26 conversation and you have our attention.

1 My second point is about accreditation, a
2 self-regulatory enterprise created more than 100 years
3 ago and used by higher education to assure quality and
4 to improve quality. A lot has been said about
5 accreditation during the short life of the Commission
6 dialogue, and almost all of it, at least, almost all
7 of it which I'm aware, has been negative. I'd like to
8 offer a different perspective.

9 Accreditation is a pervasive, well-
10 entrenched enterprise in our society. If you look at
11 the accrediting organizations recognized by CHEA and
12 by the Department of Education, they're 81 different
13 bodies carrying out this work. There are about 7,000
14 accredited institutions in our country, and more than
15 18,000 accredited programs.

16 And, this is not just about numbers, it's
17 about accreditation as a quite valuable asset.
18 Accreditation serves society and serves the public
19 interest in a number of major ways. Accreditation
20 first and foremost assures academic quality, it is a
21 valuable signal about the legitimacy of institutions
22 and programs. Perhaps, the single most critical
23 signal in our society about academic quality.
24 Accreditation plays a key role in student mobility
25 through the reliance of accredited institutions on one
26 another when it comes to decisions about transfer of

1 credit. As we know, the federal government, public
2 sector, has turned to accreditation as a reliable
3 authority on quality for a good number of years, and
4 hundreds of billions of tax dollars are at stake with
5 regard to these decisions. The private sector relies
6 on accreditation and relies on accreditation
7 significantly.

8 I took the liberty of doing a little
9 homework using the Commission members as my universe
10 and I found programs at Microsoft with regard to
11 academic discount pricing. Educational users are
12 defined as accredited entities when we're talking
13 about institutions. In looking, Mr. Stephens, at
14 Boeing, your Learning Together program requires that
15 employees enroll in accredited colleges or
16 universities. And, Ms. Tucker, the Hispanic
17 Scholarship Fund eligibility requirements for
18 scholarships for accredited colleges and universities
19 in the United States, Puerto Rico, or the Virgin
20 Islands, the eligibility includes attending accredited
21 institutions. As Mr. Ward is well aware, the American
22 Council on Education requires that its members come
23 from accredited institutions, and indeed, in reference
24 to Ms. D'Amico's earlier testimony, in order to be a
25 member of the American Association of Community
26 Colleges, you must be accredited by a regional

1 accreditor. Even U.S. News and World Report requires
2 that you be accredited to be listed in that
3 publication.

4 Ways in which accreditation is quite a
5 valuable asset, ways in which accreditation is part of
6 the success of higher education, to which our Chairman
7 referred earlier today, accreditation is far from a
8 failed system.

9 But, putting aside what I think has been a
10 fair amount of negative commentary, I want to move to
11 my third point, and my third point is about hearing
12 the Commission when there has been talk about
13 accreditation, and I'm trying to be careful here and
14 not attribute any position to the Commission, because
15 I don't believe you've taken one in this or any other
16 area, but there has been all this dialogue.

17 As I followed the discussions and the
18 papers, and the reports, several issues with regard to
19 accreditation have emerged as central. These are the
20 issues of student learning outcomes, transparency,
21 consistency and comparability, and I'm putting those
22 together, and the issue of the rigor of higher
23 education.

24 What is the role of accreditation in
25 relation to these issues? I think you've been asking
26 this question over and over again. My third point is

1 that we hear you with regard to this.

2 Which takes me to my fourth point, and the
3 most important point I want to make with you this
4 afternoon, and that is to offer you a recommendation
5 that I believe bridges the Commission's issues here
6 and accreditation practice. It's a recommendation to
7 reach out and to work with you on calling this an
8 accountability agenda. It's summarized on page seven
9 of my testimony that I believe you have.

10 The accountability agenda, as I'm
11 suggesting it to you this afternoon, calls on
12 accreditation and higher education, and it is a
13 partnership. Accreditation can not work without our
14 institutions and programs. Accreditation and higher
15 education, I'm asking, work together to strengthen our
16 investment in evidence of institutional performance
17 and student achievement, and most important, increase
18 the prominence of this evidence in judgments about
19 quality.

20 There's been a lot of discussion about
21 doing this with regard to testing and evidence from
22 testing, there may be many other ways in which
23 institutions can create evidence of performance and
24 achievement that would be useful here as well.

25 Another part of the accountability agenda
26 has to do with greater transparency, and I have two

1 thoughts here. Institutions can expand and target
2 their information about performance and achievement
3 even more clearly and directly on what students need
4 to know. Now, we talk about what students need to
5 know. I'm not sure we know what students need to know
6 about achievement and performance and what goes on in
7 an institution, and perhaps, a way to address this
8 particular suggestion is to start with answering that
9 question of what students need to know.

10 My other point with regard to transparency
11 has to do with accreditation itself, and we have
12 struggled with this and accreditation mightily. What
13 do we need to do to provide more information to the
14 public about accreditation decisions? What do they
15 mean? What are the implications for those who have to
16 make decisions about higher education?

17 Another element of this agenda would
18 address consistency and comparability. As I look
19 around us in accreditation and in higher education, I
20 see websites like Kati Haycock's Education Trust and
21 the way you can look at graduation rates, I look at
22 the new website from the Institute for Access and
23 Success -- that's not the totally correct name -- but,
24 how to make comparisons with regard to financial aid
25 information at individual institutions, I look at the
26 IPEDS data feedback website. We are seeing more and

1 more areas in which data readily available are being
2 collected and are being arranged so that there can be
3 comparisons and there can be judgments about how
4 higher education operates. How much longer before
5 someone will be doing the same thing with regard to
6 academic quality? And, if this is going to be done,
7 wouldn't it best be located in the higher education
8 and accreditation community themselves, rather than
9 outside that community?

10 I'm calling, here, for an exploration.
11 I'm not calling for any decisions with regard to
12 either consistency or comparability, but, let's engage
13 this as a community.

14 And, finally, the issue raised by the
15 Commission with regard to academic rigor. There's
16 been a good deal of discussion about general education
17 and the need for general education outcomes. There's
18 been some fine work done by AACU, good work done by
19 CLA, by the Education Testing Service. Those efforts
20 can assist us in further examining the undergraduate
21 experience in particular.

22 Related to that, accreditation, I believe,
23 would benefit from using this focus on general
24 education as a way to reflect on its threshold
25 requirements to be accredited. If we want to improve
26 rigor, if we believe there is a need to do that,

1 general education is a way into that issue, both in
2 higher education and in accreditation.

3 So, that's the agenda, addressing
4 performance and achievement, addressing transparency,
5 addressing, at least, exploration of consistence and
6 comparability, and addressing academic rigor. Why in
7 the world do we think it might happen? What might it
8 take to have it happen?

9 In my view, I believe that the current
10 climate is right for moving on an accountability
11 agenda. First, there's been an enormous amount of
12 work done in higher education and accreditation,
13 especially in the last 10 or 15 years, in all of these
14 areas. We've got a very great deal on which to build.

15 Higher education is not immune from the
16 public pressure for more accountability, and I think,
17 over time, in higher education and accreditation,
18 we're going to be even less immune. We're seeing an
19 intensifying competition both nationally and
20 internationally with regard to higher education.
21 There is, as is very clear from even the discussion
22 here today, a sense of urgency about the importance of
23 higher education.

24 And, as I've already indicated, this
25 Commission has our attention, as will other bodies,
26 if, indeed, they are formed. The climate, I think, is

1 right. I think the climate can produce incentives for
2 action on an agenda.

3 My fifth point is about my colleague, Mr.
4 Dickeson's recent paper on the National Accreditation
5 Foundation, and I have lots of thoughts about that
6 foundation, but I want to share one with you because I
7 think it is so very important. Higher education in
8 the U.S. has prospered for many reasons, but among
9 those, we've vested our academic leadership in our
10 institutions. We have allowed the discipline of being
11 mission-based to frame the work of institutions. Our
12 institutions have earned, in my opinion, a certain
13 independence, a certain space to carry out their
14 academic work, and the faculty in our institutions
15 have earned the freedom that they enjoy with regard to
16 intellectual inquiry.

17 The Foundation solution, as currently
18 offered, I worry, would undermine these elements of
19 higher education success. These elements have
20 contributed to the most accessible, varied, and high
21 quality higher education enterprise that we know. I'm
22 not arguing it's perfect, I'm not arguing that it need
23 not change, but it is an extraordinary achievement for
24 a society, so with regard to the foundation, please
25 let's not, however unintentionally, dismantle the very
26 practices that have been essential to higher

1 education's effectiveness and its success.

2 So, I hope I've said a few valuable things
3 about the role of accreditation. I did want to be
4 clear that we, in higher education and accreditation,
5 have heard the issues and concerns of this Commission,
6 I hope that the suggestions here about an
7 accountability agenda are ideas that you will find
8 worthwhile pursuing, and finally, I hope that whatever
9 decisions the Commission makes with regard to
10 accreditation and the Commission recommendations, that
11 the key features of our enterprise that have brought
12 us to where we are today, indeed, remain intact.
13 Thank you.

14 MS. NORTON: Good afternoon, my name is
15 Kay Norton, and I am the President of the University
16 of Northern Colorado, which is located in Greeley,
17 Colorado, and I'm privileged to follow, as President
18 of the University of Northern Colorado, in the
19 footsteps of a number of leaders who care deeply and
20 have thought at length about the shape of higher
21 education in the United States. One of those leaders
22 is Bob Dickeson, who moderated the previous panel, and
23 he led UNC through a period of tremendous stress and
24 change in the 1980s to universal acclaim, as you could
25 imagine, and has devoted his time since then to
26 quality and access issues in higher education. Hank

1 Brown, the former United States Senator from Colorado
2 was my immediate predecessor as President of our
3 university. He brought the perspective of a private
4 businessman and an elected public official to the
5 task. I came to the presidency first through
6 membership on the appointed board of trustees of the
7 university, then as General Counsel -- yes, I'm a
8 recovering lawyer -- and Vice President in the Brown
9 administration.

10 I have now entered my 12th year of close
11 involvement with the university after many years in a
12 for-profit commodity business which was a unit of a
13 Fortune 500 company. Actually, a Fortune 50 company,
14 to be precise, I used to work in the meat packing
15 business. I bring a different point of view,
16 therefore, to higher education, yet, let me tell you
17 that there are many more parallels than you might
18 imagine at first between the business of producing a
19 commodity and that of organizing and delivering
20 excellent post-secondary education.

21 I often talk on campus on how difficult --
22 how much more difficult it is to know how you're doing
23 in an environment that doesn't have the ready measure
24 of a bottom line. We have to dig much deeper to find
25 motivation based on our public educational missions in
26 higher education. More important, we have to find

1 ways to assess and to describe how we are doing. Did
2 the students learn anything? And, how do we know?
3 Are we making a difference for the people of Colorado?

4 One of the lessons that I have learned in
5 comparing my former business and my current one is
6 this: If we talk only about costs and price, then we
7 are in a commodity business, which is an untenable
8 position for any United States enterprise, whether it
9 be for-profit or higher education. The United States
10 is not going to be the low cost producer. We must
11 have a value proposition, a way of demonstrating
12 quality in order to command a premium in the global
13 marketplace.

14 To be sure, we know we need to have to be
15 efficient, we have to be creative in how we organize
16 ourselves to continue to provide unequalled access to
17 higher education to increasing numbers of our
18 citizens. But, the real core issue that we're here to
19 talk about this afternoon is quality. How do we
20 achieve and prove world class quality?

21 You've been briefed on the current complex
22 web of federal, state, and private regulation of
23 higher education quality. Accreditation actually
24 appears to have come first as a private, self-
25 regulating activity. States, in essence, in the past,
26 have owned and operated systems of higher education

1 and addressed quality primarily through budgeting and
2 regulation. The federal government adopted
3 accreditation as a proxy for quality as it entered the
4 financial aid arena, post-World War II. All three
5 players in assessing educational quality have become
6 more active over time and none has ceded its role to
7 any other.

8 States have become more active in
9 addressing quality and accountability as pressures on
10 state budgets have -- from entitlement programs, K-12,
11 Medicaid, Corrections, have increased in the last 20
12 years. This is, undoubtedly, not accidental. States
13 have paid particular attention to high-visibility
14 areas which are matters of great public interest such
15 as teacher preparation. Colorado has adopted a system
16 of performance contracts tied to access to voucher-
17 like student stipends for undergraduates with a fee-
18 for-service contract for graduate education and
19 specialized services performed by the institution.

20 Sometimes, state efforts align with
21 accreditation process. Sometimes, they parallel each
22 other. Sometimes, they conflict.

23 Attached to my testimony is a second
24 document that's a summary of the University of
25 Northern Colorado's array of accreditation activities,
26 state regulatory requirements, and voluntary quality

1 initiatives that we've undertaken, and I'll highlight
2 a few of those at the end of my remarks, but an
3 example, the university is gearing up for two reviews
4 of its teacher preparation program, one after the
5 other, in 2007, and then again, in 2008. The
6 estimated total cost of NCATE accreditation for the
7 university between 1999 and 2008 is \$528,950.00. We
8 have to make decisions on a regular basis about what
9 is and what is not a good investment in quality
10 assessment to the extent that we are allowed to
11 choose.

12 Continuation of the status quo without
13 consideration of expanding state activity and merging
14 alternative performance assessment process such as the
15 Baldrige system will result in confusion, duplication,
16 and unforgivable waste.

17 In a perfect world, organizations would
18 automatically focus on quality and not require goading
19 by external processes, whether markets or regulation.

20 The Baldrige ideal of continuous improvement would be
21 a given; however, in this enterprise, we have to rely
22 upon human beings in a decidedly imperfect world. We
23 all need direction and motivation: why are we here?
24 How are we doing? How do we know?

25 Many accrediting bodies have moved with
26 federal encouragement toward a more outcome-based

1 system of review. This is a welcome trend. Changes
2 by the Higher Learning Commission of the North-Central
3 Association allowed the University of Northern
4 Colorado to integrate an institutional conference of
5 planning process that we had undertaken with decennial
6 review, two years ago.

7 However, it's been our experience that
8 specialized program accreditations, as opposed to
9 institutional accreditations, are not nearly so
10 flexible. Some retain standards which appear to
11 address issues more properly discussed at the labor
12 relations bargaining table than a discussion of
13 student learning and advancement of knowledge.

14 Even the federal guidelines for
15 accrediting bodies contain a number of elements about
16 inputs rather than outcomes. We've all saw the recent
17 discussion and furor about NCATE's standards,
18 including dispositions, for teachers, which was a term
19 that gave rise to a number of interpretations, some of
20 them wildly off the mark of the intent, I think, but
21 it was quite a fascinating experience as we prepare
22 for NCATE's visit to take a look at what we mean by
23 dispositions, and we didn't mean personality, it turns
24 out.

25 I am not calling for the federal
26 government to take over the regulation of quality of

1 higher education by, in effect, insourcing
2 accreditation. It's sort-of an outsourced system,
3 except that the accreditation came first and was
4 really recognized by the federal government. And, I'm
5 also not a champion of requiring the states -- or,
6 allowing, perhaps, the states to develop 50 completely
7 separate systems to address quality in lieu of
8 accreditation. I don't think that's a move toward
9 efficiency or effectiveness, either.

10 I do think that there is a clear
11 responsibility on the part of the federal government
12 to exercise some leadership in this arena, in defining
13 what an organization must demonstrate in order to
14 justify access to those billions of dollars of federal
15 investment in financial aid that we've been hearing
16 about all afternoon, and I'm not sure I ever thought
17 I'd be saying that the federal -- asking for help from
18 the federal government, but nonetheless, I think there
19 is a leadership role here.

20 In doing so, please allow for the
21 emergence of processes like the Baldrige Performance
22 Excellence model and for creative state systems.
23 Allow for the consideration of processes that come
24 from other places and other federal investments.

25 In the food production business, we used a
26 system that was developed by NASA for food safety so

1 that the astronauts wouldn't experience food poisoning
2 when they were in space, and it's called -- it's a
3 production control process related to quality called
4 HACCP, Hazard Analysis Critical Control Point, and the
5 more I think about it, the more I realize that any
6 process that has some sort of a desired outcome at the
7 end of the process might benefit from an analysis
8 based upon HACCP, where you take a look at your
9 process, you figure out at where are the critical
10 points at which something could go awry in the
11 process, and you design interventions to make sure
12 that things go well. An example would be the course
13 redesign that we heard about from Dr. Twigg just
14 recently.

15 Please, in your thinking, reward
16 accreditation processes which do focus on outcomes for
17 students and for society, and help us establish that
18 value proposition that will keep the United States'
19 higher education unquestionably the best in the world.

20 I would like to touch upon just a few
21 highlights of the fact sheet about accreditation as --
22 at our institution, the University of Northern
23 Colorado, to give you an idea of what it looks like on
24 an institutional basis.

25 We are -- our mission, as a comprehensive
26 baccalaureate and a specialized graduate research

1 university, we have a continuing commitment to our
2 traditional role and our initial role in the
3 preparation of educators. We were founded in 1889 as
4 the state normal school. We are designated by the --
5 under the previous Carnegie Foundation system as a
6 research-intensive institution. We have about 12,000
7 students. Eighty-five percent are undergraduates.
8 Our total expenditures, total budget, about \$130
9 million for this current fiscal year. In 2005, the
10 university's Monfort College of Business became the
11 first business school to receive the Malcolm Baldrige
12 National Quality Award from the United States
13 Department of Commerce, hence my mention of it. We
14 are intimately familiar with that process as a means
15 of achieving a culture, we hope, of continuous
16 improvement.

17 We are required, through a performance
18 contract with the Colorado Commission on Higher
19 Education, to maintain national accreditation of our
20 teacher education programs. That is possibly
21 something that we could renegotiate if we decided that
22 that sort of accreditation was not valuable to us.
23 That is not a decision that we have made, to try to
24 seek an exemption from that.

25 I mentioned the upcoming state and NCATE
26 accreditation processes that we are gearing up for.

1 We have -- at UNC, we have regional accreditation
2 through the Higher Learning Commission of the North-
3 Central Association, we have NCATE accreditation for
4 our teacher preparation program, and we have
5 specialized or professional accreditation by a list of
6 22 other organizations and entities.

7 The ones with an asterisk don't have
8 annual dues, but there are costs involved in terms of
9 staff time and faculty time in addressing the concerns
10 of each and every one of these 22 separate
11 organizations.

12 Costs, we've tried to give you an
13 estimate. The obvious direct costs are annual
14 memberships fees and the reciprocal expenses related
15 to on-site reviews. In terms of dues, it's about
16 \$32,000.00 annually for us for all of that array. For
17 regional accreditation, self study, and site visits,
18 our 2004 North-Central Association Higher Learning
19 Commission self-study and campus visit cost about
20 \$303,000.00. That does include release time, faculty
21 time estimates. The focus visits that occurred during
22 1998 and 2000, we estimate, cost about \$130,000.00
23 each, thus, the total that I mentioned earlier of
24 \$563,000.00. Again, that does include release time.

25 Institutional accreditation, self-study,
26 and site visit for North-Central -- excuse me, for the

1 NCATE -- the teacher accreditation body, that was in
2 2002. Preparation began in 1999. Total costs with
3 time, \$264,475.00. We're applying for reaccreditation
4 again in 2008. We anticipate the cost will be
5 similar.

6 The direct cost for the specialized
7 accreditation processes range from \$2,000.00 to
8 \$7,2000.00 without trying to account for time, which
9 would have taken us more time to assess and add up, so
10 we did not do that.

11 Not all of those organizations do require
12 on-site reviews for reaccreditation, so it really does
13 vary with the process. We are estimating about
14 \$40,000.00 for specialized for professional
15 accreditation site visit cycle without release time
16 for faculty and staff.

17 The Baldrige process, we did not give
18 anyone release time. The work was undertaken by the
19 College of Business faculty and leadership voluntarily
20 in order to establish ourselves in the marketplace as
21 a high quality program. The direct costs for a three-
22 year period from 2002 to 2005 were about \$40,000.00,
23 although, when you win, you also get some benefits in
24 terms of some money from the Baldrige Foundation to
25 attend the awards ceremony.

26 We do estimate that in terms of the

1 uncompensated release time that the six faculty
2 dedicated to this project spent about 250 hours each
3 on the work.

4 Now, what are the benefits? That's -- I
5 told you, we have to make an assessment of the costs
6 and the benefits of accreditation or other quality
7 assessment processes. Well, we all have heard and
8 know that, first of all, you get the key to the
9 kingdom of federal financial aid in terms of
10 institutional regional accreditation. NCATE
11 accreditation is something required by our state
12 regulatory body. Specialized and professional
13 accreditation does allow students in certain
14 professional degree programs to bypass costly
15 requirements for licensure and certification, so
16 there's a student benefit to that. So, for example,
17 UNC masters students in counseling may waive the 3,000
18 hours of post-MA experience required for a National
19 Certified Counselor certification because of our
20 accreditation by the Council for Accreditation in
21 Counseling and Related Educational Programs, so
22 definitely, cost-benefit comes out in a very positive
23 fashion there for students.

24 Educational benefits, there certainly can
25 be curricular improvements that are tied to
26 accreditation standards and to the extent that they

1 are beginning to focus on student learning outcomes,
2 we think that's a very positive direction.

3 And, professional accreditation standards
4 can and often do result in program alignment. What we
5 do with professional standards so that our students
6 are better prepared for entry into specific
7 professions.

8 In -- I imagine that you are interested,
9 as I was, in, well, what are the benefits of the
10 Baldrige achievement, which, certainly, is a singular
11 achievement at this point. Freshman enrollment in our
12 College of Business for this fall, 2005, the first
13 year after the announcement of the award, was up 31
14 percent. Private donations increased by 87 percent as
15 compared to the previous year, student learning
16 results in a national standardized test in business
17 moved from the top 10 percent in the nation to the top
18 five percent in the nation. Overall graduating
19 student satisfaction is now in the top one percent in
20 the United States for three straight years based on
21 implementation of the process. 97.4 percent of the
22 current Monfort College of Business students would now
23 recommend the business program to a close friend or
24 relative. That is a 13.4 increase from four years
25 ago. We have found great benefits to being able to
26 quantify, measure, and communicate our commitment to

1 continuous improvement at the College of Business.

2 So, the challenges of accreditation,
3 you've heard a lot about, you've read a lot about, and
4 I won't belabor those. I think, ultimately, it's
5 making the case for is it the most effective way of
6 assessing and communicating quality? Not yet, not
7 today. Could it be? Quite possibly, if this
8 Commission exercises the kind of leadership that
9 institutions are really asking from you, particularly
10 as it relates to our relationships with our states.
11 Thank you.

12 DR. D'AMICO: Mr. Chairman, if I can do
13 one more thing before you open up for questions.

14 CHAIRMAN MILLER: Please.

15 DR. D'AMICO: As the Hoosier -- first
16 Hoosier to address you, I want to welcome you to
17 Indianapolis, which I didn't do. Those who know me
18 know I get right to the task and lost social graces,
19 so thank you for coming to Indianapolis and welcome to
20 our city, and we're glad you're here, and we hope you
21 enjoy yourselves this evening.

22 CHAIRMAN MILLER: We felt the welcome,
23 thank you.

24 We'd like questions and answers from the -
25 - we've got a good deal of time to do that. I'd like
26 to at least say one thing quickly, that some of the

1 criticism you've heard, which I think some of is
2 valid, is -- came about, partially, because I asked
3 for -- the last paper written, not all the things
4 written were critical, but that last paper to be
5 critical, that's exactly the term I used, because we
6 have heard a lot of comments in different venues. I
7 can say -- attest to my own experience, that I don't
8 think I've heard academic executive officers be as
9 strong about anything as they were about the
10 accreditation process. I'm sure they were wrong part
11 of the time, but not the whole time, and when they got
12 a bad answer, I don't think I've ever seen this strong
13 of a reaction to the answer as that. Plus,
14 truthfully, if I were trying to describe it, I would
15 describe it as almost a secret society. I wondered if
16 you'd credit the Da Vinci Code in there somewhere,
17 because really, the issue is more what do we know
18 about it? When I discovered that the public didn't
19 know much about it and the Commission actually didn't
20 have a lot of firsthand knowledge if you weren't an
21 academic, we needed to, let's say, expose the issue,
22 and I think we've done that, so whatever criticism
23 comes out of that, I'm sure it's going to be
24 productive.

25 And, the big idea that was put in Bob
26 Dickeson's paper came because we asked people that

1 have given us recommendations, and we haven't got too
2 many on the table, to make bold ideas, put forward
3 bold ideas, and that's a bold one, and I hope when we
4 get other bold ideas, people will understand those are
5 ideas, not necessarily come to a conclusion just
6 because we put them on the table.

7 Carol, you go ahead.

8 DR. D'AMICO: Yes?

9 COMMISSIONER DUDERSTADT: Let me kind of
10 flip it around and come with a positive approach.
11 I've been quite impressed over the last several years
12 by, at least, how some components of the accreditation
13 process are really trying to put into place measuring
14 what members of the Commission are concerned about,
15 trying to drive institutions to better define their
16 educational objectives, provide evidence of how
17 they're achieving those objectives, educational
18 effectiveness, and so forth, and so the question to
19 you, I suppose, Judith, and you've raised part of it
20 is, earlier, can you evolve or should you evolve from
21 a gatekeeper, you know, assuring, kind-of, the base
22 level of quality of achievement is there, into
23 something that actually begins to drive world-class
24 quality in higher education, and if that expanded
25 mission becomes important, do you do it through the
26 carrot or the stick? Do you do it through your

1 control of access to the kingdom of federal support,
2 state support, so forth, or do you do it in the
3 marketplace? And, of course, if you do it in the
4 marketplace, at that point, the whole issue of
5 transparency is going to become very important, but I
6 would say that the institutions that I've been
7 involved with that have gone through accreditation
8 take very seriously the challenge to really come
9 together to find what they're trying to achieve, and
10 they're taking very seriously the effort to actually
11 develop evidence to try to demonstrate what they're
12 able to do or what they're not doing.

13 DR. EATON: Thank you, Jim. Before I go
14 into that, I recommend that everybody in the room,
15 when you go back to your respective rooms, go to the
16 CHEA website at www.chea.org, and we've got on there a
17 fact sheet about how accrediting organizations
18 operate, their standards, their practices, their
19 staffing, their commissions, their policies. It's not
20 secret.

21 What people know less about, and I've
22 already acknowledged this, is, everything that is
23 behind a specially positive accreditation decisions,
24 and I've already said, we need to talk more about
25 that, but I have trouble with secret, if I might.

26 Jim, if I understand your question, and I

1 hope I do, because I'm an alum of your former
2 institution --

3 COMMISSIONER DUDERSTADT: Former? I'm
4 still there.

5 DR. EATON: I hope so. You're asking if
6 we want the drive toward world-class quality, do we
7 want to go about it more through regulation or through
8 persuasion?

9 COMMISSIONER DUDERSTADT: Yeah, I think
10 the accreditation process is evolving toward trying to
11 look at the right things, so, the question is, how do
12 you use that beyond simply being a gatekeeper to
13 actually help institutions or stimulate institutions
14 to drive world-class quality?

15 DR. EATON: Well, I think that what Kay
16 talked about is an example of that, where, at least,
17 in the institutional level, and especially in regional
18 accreditation, you're seeing more and more of what I
19 call tailoring or customization of accreditation
20 reviews focused on an issue of importance to the
21 institution, and if the institution, for example,
22 wants to have a world-class program, whether it's in
23 business or teacher preparation or a number of other
24 fields, the accrediting organization, as long as those
25 threshold conditions are carefully reviewed, works
26 with the institution.

1 We have an ongoing series of interviews
2 with college and university Presidents and I conduct
3 many of those, and on the one hand, yeah, I hear some
4 gripes about accreditation along the lines that we
5 heard from Kay, but I also hear a lot of praise for
6 accreditation for doing just this, enabling
7 institutions to meet goals that an institution has set
8 for itself, so I think in that way it works. If you
9 want more than that in terms of let's explicitly
10 address world-class standards in certain areas -- I'm
11 ducking your question as of right now.

12 DR. D'AMICO: Mr. Vedder?

13 COMMISSIONER VEDDER: Yes. I enjoyed your
14 testimony -- all of the testimony very much, and Ms.
15 Eaton, I want to assure you, speaking as one
16 Commissioner -- Charles picked up -- said this, and I
17 just want to reiterate, this Commission has not taken
18 any stand or even really talked, as far as I can
19 recall, and I've been at every Commission meeting,
20 anything about accreditation to this force. We have
21 some discussion papers that are on the table, but
22 that's the extent of it. Having said that, however, I
23 found Mr. Dickeson's paper somewhat interesting and
24 simulative, and I just --

25 DR. D'AMICO: You need to --

26 COMMISSIONER VEDDER: Yeah, I imagine it

1 probably raised your blood pressure more than mine. I
2 have less at stake. Having said that, just to pick
3 one little vignette from his paper, and just one, I
4 just want to know how the higher education community
5 can claim to maintain some integrity when the
6 evaluations of itself are done by itself? When the
7 people that do the accreditation are members and
8 financial contributors to the organizations that do
9 the accrediting. Why shouldn't we have something like
10 the academic equivalent of Underwriters Laboratory do
11 the accreditation? I'm not -- I'm agnostic on this.
12 I'm not -- I'm just asking the question. What's wrong
13 with Mr. Dickeson's point?

14 DR. D'AMICO: Maybe Ms. Eaton, and then I
15 don't know if David Ward, you want to comment too, but
16 --

17 DR. EATON: I believe your question is
18 about, can we have any self-regulatory scheme that
19 isn't suspect? I think we can have defensible self-
20 regulatory schemes, and I think that accreditation of
21 one of those that tries to work toward a certain level
22 of ethical consideration, avoid conflicts of interest,
23 there is little gain for "you scratch my back, I'll
24 scratch yours," because the entire enterprise is
25 diminished. Again, it is not a perfect system. Do
26 you want to go to external examiners and get rid of

1 peer review? Let's talk about --

2 CHAIRMAN MILLER: Well, how about a little
3 transparency? Wouldn't hurt. I mean, that's not the
4 alternative. It's not that --

5 DR. D'AMICO: I think on this, I'll go
6 ahead, then Mr. Stephens, you had a comment?

7 COMMISSIONER STEPHENS: Just a comment,
8 and some folks from outside academia, and I have
9 commented about the number of institutions the Boeing
10 company is involved with. I happen to lead -- you
11 know, human resources at Boeing, we have involvement
12 with 250 colleges and universities in the U.S. and
13 around the world, and certainly, we use as a measure
14 of the value that those institutions can bring to our
15 employees, you know, whether or not they're accredited
16 or not, but I would have to tell you, I know of many
17 institutions, the curriculum hasn't changed in 40
18 years, and so I have to raise the question, what value
19 are they doing to the employees, because in addition
20 to the \$100 million we spend sending our employees to
21 colleges and universities, we spend 5 million hours a
22 year training our employees. That says, every day, I
23 have 2,500 employees in classroom, and so it is about
24 value, and so, we have a tough challenge about working
25 that, so I would go back to Richard's comment, is, you
26 know, what is the opportunity to bring someone from

1 outside of academia to participate, to make sure
2 there's relevancy for those of us who are looking for
3 the workforce and the education that it provides?

4 DR. D'AMICO: And then, there was a
5 question --

6 COMMISSIONER MENDENHALL: As a President
7 of an institution that was recently, for the first
8 time, accredited, I have a couple of thoughts about
9 this. I appreciated the issue papers that were
10 published, but I would like to raise an additional
11 issue or two about accreditation that maybe were not
12 mentioned, and I think it starts with what our goals
13 as a Commission would be, but I think, generally, we
14 have some broad consensus around the need to increase
15 the supply of higher education and to encourage
16 innovation in higher education, and to improve
17 quality, and I think a lot of this discussion has
18 centered around the role of accreditation and
19 improving quality. My own view is that it is,
20 perhaps, overstated, maybe the single biggest
21 roadblock to innovation and the biggest roadblock to
22 increasing supply in higher education. Regional
23 accreditation takes five years. You really don't sign
24 up students until you're accredited, which means, the
25 real test is, do you have enough money to last for
26 five years without any students until we get through

1 the process? Most institutions don't, which is why we
2 have very few new institutions, except for the for-
3 profits, and essentially, all the new institutions in
4 the last 20 years have been for-profit institutions,
5 except, maybe, ours.

6 By the way, the paper indicated that
7 accreditation is voluntary and we'd like to say that,
8 and it isn't voluntary if you want to stay in
9 business, and it isn't just about federal financial
10 aid. We were fortunate enough to have waived some
11 requirements and be able to offer federal financial
12 aid before we were accredited. In four years, we
13 managed to get 500 students. After accreditation in
14 the last three years, we've gone from 500 to over
15 5,000. That doesn't sound like voluntary to me, if
16 you're going to be successful in higher education.

17 By the way, we're also -- we're regionally
18 accredited by four regions. We're also nationally
19 accredited. My own view is that the national
20 accreditation completed in a year and is equally as
21 rigorous.

22 More so, I just found it interesting that
23 when Carol, earlier today, mentioned about evaluating
24 course completion rates, our national accreditor,
25 which is the ETC, actually requires us, every year, to
26 report on completion rates for our 10 largest courses

1 and on customer satisfaction rates each year. We
2 don't have similar requirements from regional
3 accreditation, which is considered the gold standard.

4 Back to my two issues, I find
5 accreditation a roadblock to innovation and
6 restricting supply, one, because of the time
7 associated with becoming accredited, but also because
8 accreditation, as we saw with the core academic values
9 that Carol shared with us, really focuses on process,
10 not results. The core academic values basically say
11 this is -- we will dictate your instructional model,
12 you'll do it the way we've always done it.

13 Two examples, shared governance and
14 faculty credentials. If, in fact, you could have a
15 system, which is impossible today, with a different
16 governance model and with different faculty
17 credentials that actually turned out students who
18 learned more and faster, it's impossible to create
19 such a system today. You can't even get it off the
20 ground because you can't -- the accreditors wouldn't
21 even agree to consider accrediting you, much less,
22 start the process, and I think those are issues that
23 we need to address with accreditation equally as much
24 as improving quality, is, how does accreditation help
25 encourage innovation and encourage additional
26 suppliers, whether intentionally or unintentionally,

1 it serves as a roadblock to innovation and new
2 institutions.

3 DR. D'AMICO: I think you raised some very
4 key questions, and I'm hoping that the Commission
5 deals with -- yes, sir?

6 COMMISSIONER VEST: No, please go on.

7 DR. D'AMICO: No, go ahead.

8 COMMISSIONER VEST: I just wanted to make
9 two or three comments. One's to Rick. I'm going to
10 Chair the new accreditation board of academics to
11 decide whether Boeing can stay in business or not. It
12 goes both ways, seriously.

13 COMMISSIONER STEPHENS: Well, since you've
14 made the comment, I will tell you that the market
15 decides whether we stay in business or not.

16 COMMISSIONER VEST: Absolutely.

17 COMMISSIONER STEPHENS: And so, we have
18 full transparency on all that goes on, and so, all
19 we're asking for is transparency in the process.

20 COMMISSIONER VEST: I agree with your
21 market comment.

22 But --

23 COMMISSIONER MENDENHALL: And, Chuck, how
24 many business people do you use on your visiting
25 committees?

26 COMMISSIONER VEST: This is what I wanted

1 to say. This is my serious point. When I was
2 President, I answered to 75 trustees, two of whom were
3 academics, and that was enormously valuable, despite
4 my ribbing back and forth, but that really played,
5 more than anything else, the role that we're talking
6 about, now, about the external view, input, different
7 perspectives, and believe me, you take it seriously,
8 they hire you, they fire you.

9 I also wanted to say that our experience,
10 my experience, having gone through institutional
11 accreditation twice, was actually very positive. We
12 got enormously good feedback, we improved the
13 institution, it worked well. We could be here all
14 afternoon if I started telling horror stories about
15 individual professional organization accreditations,
16 which, to pick up on what Bob Mendenhall said, very
17 frequently, I would say, more frequently than not,
18 were impediments to change and innovation.

19 So, I think that when we get into these
20 discussions about accreditations, at least
21 experientially, there really is a big difference
22 between the institution-wide look and the individual
23 professional things which have tended to be run as
24 kind-of input bean counting, let alone, getting a way
25 of doing outcome measures, which the academics, by the
26 way, frequently had to force the folks coming out of

1 the professional societies to agree to do, so it's a
2 real jumble of issues, as our Chairman pointed out,
3 when we got started.

4 DR. D'AMICO: Mr. Zemsky?

5 COMMISSIONER ZEMSKY: I'm going to make a
6 plea to the Commission that we stay out of this fight.

7 This is quick -- if we could spend the entire effort
8 reforming something that does nothing at all at the
9 moment, practically, because that's actually what Bob
10 and Chuck, in their own much nicer way than I have, of
11 saying it, I spend a lot -- I'm not a university
12 President, I spend a lot of time with university
13 Presidents, I thought the most interesting thing
14 President was -- I've never seen the costs totaled up
15 before, and -- but, I have been on campuses where
16 they're in strategic planning and they say, "Well,
17 let's see how much we can sort-of make reuse of in our
18 accreditation visit which is coming up," or they do it
19 vice versa, the accreditation visit did self study and
20 a harvesting kind of thing. I rarely have ever seen a
21 major university or college worry that it wasn't going
22 to be accredited, so there is no stick, Jim, nor have
23 I ever seen a major college actually assign a really
24 major officer to do it. I did it for Penn. I was
25 not, at that point, a major officer.

26 CHAIRMAN MILLER: Look what happened?

1 COMMISSIONER ZEMSKY: I think, of all the
2 things that we have to worry about, I think we have to
3 worry about accountability. I think we have to worry
4 about metrics. I think we have to worry about how
5 transparency that the Chairman talks about, if we tied
6 those issues to trying to get accreditation to be the
7 vehicle, we'll be here forever.

8 DR. D'AMICO: Did I see Secretary Stroup's
9 hand up, there?

10 EX OFFICIO MEMBER STROUP: I can't let you
11 go, and I can't let Kay go, because you're both old
12 friends, and, you know, for purposes of full
13 disclosure, accreditation is my full responsibility at
14 the Department of Education. College Presidents
15 complain to me when they're not happy, but I mean, I
16 have to ask the question that I ask people who come
17 into my office, and that is, if you didn't have to, in
18 order to get student aid, would you do it?

19 DR. D'AMICO: Well, in terms of the
20 program accreditation that President Vest talked
21 about, probably not. I mean, we are really thinking
22 about NCATE accreditation and its value, given the
23 increase in state regulatory activity, too, which is
24 what I want to keep emphasizing, that is, we have all
25 of these three players that we have to juggle, and,
26 you know, everyone's so helpful and very nice. The

1 institutional accreditation, if it continues on the
2 path where it is about outcomes and can be integrated
3 with the sort of continuous planning that we ought to
4 be doing, then I think it might be worthwhile. But,
5 we'd have to make that assessment.

6 DR. EATON: Sorry, I wanted to respond to
7 that too, if I might, because I asked that question of
8 these Presidents I interviewed, and almost 100
9 percent, yes, they would keep institutional
10 accreditation, and surprisingly, with all the
11 concerns, they would keep specialized accreditation
12 because specialized accreditation is key to licensure
13 of individuals in specific fields. There's also a
14 concern that, however imperfect, if we didn't have
15 either type of accreditation, we would be visited with
16 an intensely regulatory government-based system that
17 would be less effective and desirable.

18 EX OFFICIO MEMBER STROUP: But, you're
19 spending a lot of time with people who don't come to
20 my office, Judith. That's all I can tell you. I can
21 tell you the answer from the people who show up on my
22 doorstep, but I'm assuming they're different
23 Presidents who come to see me. So, Carol, Yes or no?

24 DR. D'AMICO: I was hoping you were going
25 to forget.

26 EX OFFICIO MEMBER STROUP: I didn't

1 forget. You don't have to answer, you can say -- you
2 can pass.

3 DR. D'AMICO: You know, I don't know. I'd
4 have to really look into it. I -- one of the issues,
5 there are not a lot of other choices if we talk about
6 independent appraisal of quality, and one of the
7 things that the higher education act, correct me if
8 I'm wrong, is trying to do is maybe create more
9 choices for our institutions to choose an
10 accreditation body, so, I don't know. I'd have to
11 think about value added.

12 Yes, Jonathan?

13 COMMISSIONER GRAYER: You know, Bob, as a -- you
14 know, a blend of the market mechanism and higher ed,
15 Kaplan is all different sorts of accreditors, and I
16 would say that for us and for the large for-profit
17 entities in general that the accreditation process has
18 actually allowed innovation. If you look at the
19 number of students served by for-profit institutions,
20 it's so, dramatically. In the 80s and early 90s,
21 there were all different types of crisis and
22 confidence in for profits, and the regulatory -- and,
23 the accreditation process is a key part for what the
24 for-profits have aspired to do, and, you know, one of
25 the things that is hard to really bring to life, here,
26 is the anatomy of what a regional accreditation site

1 visit is like, you know, and we talk around it, but to
2 the -- for a for-profit who has to prove their mettle,
3 it is an intense process, it is an expensive process,
4 and it is a scary process, as it should be. That is
5 not to say that for a great institution like MIT or
6 the University of Michigan, it has all different other
7 types of meaning, and therefore, needs to be adapted,
8 but for the working adult that is served by online
9 for-profit education institutions, the accreditation
10 process is doing its job and that doesn't mean there
11 doesn't need to be transparency, and, in fact, I think
12 you'll all have to think about how you market what you
13 do better to the people who are looking at you,
14 because it's, you know, an important part of the
15 creditability that comes with the process.

16 DR. D'AMICO: Mr. Chairman, we are out of
17 time, so I don't know if you want to have the last
18 word on this? I want to thank the panel. On behalf
19 of the panel, thank you --

20 CHAIRMAN MILLER: We have one more person
21 that wanted to speak.

22 DR. D'AMICO: I'm sorry, David?

23 COMMISSIONER WARD: I was just going to
24 try and sort-of summarize some of the reactions here,
25 which sort-of came out with Carol Twigg's comments,
26 and that is best practices. There are, in fact, best

1 practices certainly in regional, which I actually call
2 institutional, accreditation where the strategic
3 management objectives of the institution become the
4 basis of the self-study and there is, in a sense, it
5 becomes part of a culture change of the institution.
6 It doesn't always happen, and so, one of the issues we
7 may need to look at here is not to argue that it is
8 one thing or the other, it is, actually, a gradation
9 of practices, and what I would like to see is some
10 encouragement to best practices in accreditation.
11 Some have occurred that would, in fact, be extremely
12 appropriate for the needs for innovation. Some would
13 not.

14 My own experience of professional
15 accreditation, I found very helpful, very
16 statistically based, and, by the way, included
17 significant presence of engineers from the private
18 sector. I did not always find teacher education
19 accreditation particularly helpful.

20 So, there's this enormous variety of
21 experience here, and perhaps what we need to do is,
22 rather than an outright condemnation, figure out a way
23 to develop best practices, and certainly, when it's
24 performed well, internationally, institutional
25 accreditation is extremely revered. Those people from
26 abroad who are struggling right now with the heavy

1 hand of government in quality assurance see the best
2 practices of regional or institutional accreditation
3 as something we need to do, but I'm not sure whether
4 we've got our arms around that to celebrate the very
5 best in doing that, and I think that's going to be
6 what challenges.

7 On the transparency issue, I think that
8 the challenge there is whether, if there is a negative
9 outcome, and maybe there ought to be a stronger
10 visibility of negative outcomes. My own experience
11 was that the review of my institution was not at all
12 shy about, for example, in 1989, an absolute blanket
13 indictment of how we treated freshmen at the
14 University of Wisconsin, Madison. They were right, it
15 was terrible. But, we were allowed to make a proposal
16 on a two year plan to do things to improve it, and so,
17 when the Board of Regents received -- and, by the way,
18 there was no lack of transparency in a public
19 institution. In Wisconsin, of course, your e-mail can
20 be subpoenaed, I mean, it's -- there was no trans --
21 if transparency exists, it exists in Florida and
22 Wisconsin by law, and so, the Board would receive
23 everything that we have. There was no secrecy but the
24 review team permitted us to react at the time they
25 indicated -- there were six things that they thought
26 we could improve. They weren't going to deny our

1 accreditation but they could have been very damaging
2 in a public relations sense, and certainly would have
3 aroused the interest of the state legislature in a
4 small state, so we were permitted, in each of these,
5 to actually develop a plan or indicate how the
6 solutions were embedded in a strategic plan, and it
7 seems to me that that's the other issue, that a fear
8 that the pure negative has an immediate effect with no
9 redress, and if there is a simultaneous possibility of
10 how you would redress some of these problems, and if
11 they can't be redressed, then I think, you know, the
12 problems are so serious that maybe the public needs to
13 know that.

14 The transparency issue is that that sense
15 of an unfair or failure of process to allow an
16 institution to qualify the negative before that is out
17 there, but I would say two things in here. One is,
18 better -- the past practices need to be better
19 understood, and the second one is what I would call a
20 due process or institutional -- even though it's
21 supposed to be peer review, it can be pretty savage.
22 I've been on -- chaired an accredit, here, was pretty
23 savage to the institution. We were, supposedly,
24 accredited, in fact, placed on probation, so, the fact
25 that I was in higher education or I was trying to
26 evaluate higher education, we -- it became transparent

1 to have to be a public institution, the Board wanted
2 to know about it, the newspapers wanted to know about
3 it, the governor wanted to know about it. I didn't
4 feel that transparency thing was a big deal, and I, in
5 fact, in some cases, could have been viewed as
6 slightly unfair if there wasn't some well-defined rule
7 by which the institution could respond to the
8 negative.

9 So, I think there's an issue, here, of how
10 we sort-of -- there's too much of a varied practice,
11 in my view, and rather than having "some national
12 organization" provide that for us, perhaps college
13 presidents, the accreditors, need to get together,
14 find out what those best practices are, and raise them
15 to the level that we ought to be pursuing.

16 I also agree, even though ABET has
17 outsiders on the review team, I do think for public --
18 the public confidence or knowledge of accreditation
19 would be greatly improved if there was a more
20 systematic way of including that presence on all kinds
21 of accreditation.

22 DR. D'AMICO: Mr. Chairman, --

23 CHAIRMAN MILLER: Thank you. I'd like to
24 just take personal privilege, again, since I raised
25 this issue or asked the Commission and other people to
26 raise it, I don't have really preconceived ideas. You

1 might think so, but I actually like the self-
2 regulatory body, I dealt with it in the securities
3 business. I would hate to see a federal entity do
4 more of it than it does. Of course, there is a
5 federal entity, there are statutory provisions. CHEA
6 was organized by -- because of problems that existed
7 in accreditation. I just think we have to be tough-
8 minded about everything that has to do with higher
9 education and this is a powerful entity. It's a life
10 or death rights. I mean, the pervasiveness that was
11 described earlier says that. I mean, the fact that
12 virtually everybody says it's okay if you're
13 accredited, so I think you need to be asked what the
14 good, bad, and indifferent is, and respond, and so I
15 think that's what we're doing, and I think that's
16 valuable.

17 I don't think the history of looking back
18 is going to be the answer. I think we're in a
19 different set of circumstances. I'm going to push
20 that more and more, and what response is going to be
21 to those circumstances may not be as friendly or as
22 easy or as comfortable as it has been in the past, and
23 that's when you're vulnerable, if you haven't dealt
24 with the problem yourselves, or you don't have the
25 transparency or openness to say what the problems are
26 and talk with the public, and I worry about that, that

1 lack of trust. There aren't many institutions that
2 can do what it wants to do by itself without all that
3 public support and can do it without any openness or
4 criticism. This is a unique one, so the purpose of
5 this is to bring all of these kinds of issues to the
6 forefront, and I'm glad we did that, to be able to get
7 to the right direction.

8 DR. D'AMICO: Well, speaking as a Chair of
9 NACIQI, I just want to thank you for at least airing
10 these issues. Whether you take Mr. Zemsky's advice
11 and bury it or whatever you do with it, as Ms. Eaton
12 said, you've done a great service just by talking
13 about it and --

14 CHAIRMAN MILLER: Thank you all for
15 helping us.

16 DR. D'AMICO: -- we appreciate it.

17 (Applause.)

18 CHAIRMAN MILLER: Please hold your seats.

19 The infamous -- folks, the Chair is going to step
20 down and put Professor Rick Stephens in place to
21 moderate a panel of discussion, or discussion by the
22 Commission, and he's got the responsibility and rights
23 to do it any way he chooses to do it.

24 So, the floor is yours.

25 COMMISSIONER STEPHENS: Mr. Chairman,
26 thank you. Can everyone hear me okay? So, it's been

1 interesting since we started our Commission work the
2 last year, what's very clear is that we come from a
3 number of different perspectives. We have different
4 language, we have different motivations, we have
5 different expectations about dealing the Commission,
6 and I think what's come back in and forth in our
7 discussion, he and I have heard each other quite
8 regularly. It's not that we disagree, but we do have
9 different language and different perspectives, and I
10 think the challenge we face right now is where are we
11 going to bring our thoughts together, to coalesce, so
12 we can start coming up with a cogent report to bring
13 back to the Secretary?

14 What I'm going to do right now is spend an
15 hour, really helping us together, come to some
16 alignment about what our thoughts are, and there are
17 really two steps that we'll walk through. We talked
18 about affordability, we talked about accreditation and
19 accountability, we've talked about some articulation
20 of our goals, we've had teams that have gone off
21 independently, we've had a whole series of meetings to
22 go around the -- in the last five or six months about
23 our thoughts and ideas. The idea is not to throw any
24 of those thoughts and ideas out, but we'll really use
25 some form in bringing this together.

26 I'm going to use a process called nominal

1 group technique. It's a simple process, many of you
2 have probably used it before. It's a process focusing
3 on two key elements that will allow us to use a common
4 language. First is, we're going to do some
5 brainstorming for, and that's what the whiteboard is
6 for. We're going to all see together our thoughts and
7 ideas, from a brainstorming standpoint, on the board,
8 and I'll facilitate that discussion, and hopefully get
9 some help with the easels. Then, we're going to put
10 some things on the wall, and we're going to start with
11 a set of shared values. What are the shared values or
12 the expectations we believe are important to come out
13 of higher education? Because, if we as a Commission
14 can arrive on that, we'll go a lot further down the
15 path of what are the steps or actions that we think
16 will allow us to be able to achieve those set of
17 shared values? And, once we have those shared values
18 on the board, what we're going to do, then, is give
19 everyone a set of dots. We're all going to have the
20 opportunity to do some multi-voting.

21 Now, multi-voting, again, drawing a line
22 around what we think is important. When it comes to
23 the voting, you get three dots. One dot's worth five
24 points, one's going to be worth three, and one's going
25 to be worth one, and they're handing the dots out in
26 this process. you will assign your five to what you

1 believe is the highest value on that list of shared
2 values, and with that, we will begin to coalesce.

3 Now, in all of these activities, the
4 intent is to try to get alignment, where we can all
5 agree exactly what the items are, but this process, as
6 a demonstrative activity, about getting us alignment
7 says, "These are the biggies, these are the important
8 ones," so we can spend our energy and focus.

9 When we complete that, the second set
10 we'll do is talk about, "So, what are the big-ticket
11 items we think we're going to be able to focus on
12 achieving those shared values?" And, as Charles has
13 talked about, it's all been about how can we make some
14 bold steps necessary to achieve what we think higher
15 education in America ought to be about? We'll go
16 through the same process, and have a shared set of
17 values, have a set of what we think are the important
18 elements to go forward on, that will then form a
19 foundation, then, that says, "Yeah, we'll coalesce on
20 some things that we can give drive to," and that will
21 complete our hour, and then we'll have the
22 opportunity, then, to get more testimony tomorrow, but
23 we're about ready to go start writing our report, so
24 it's all about finding a common language and a common
25 set of expectations. Make sense?

26 How many of you have used nominal group

1 technique before? A few of you? Did it work?
2 Sometimes? It is a messy process, there's no
3 question, and I think, in the end, we have to decide
4 on this, relative to three key elements. You know, in
5 all the decisions we can make, we can rehearse them
6 like they're our own, okay, and we're happy with that.

7 Second element is, we can accept things relative to
8 what we put on the board. Third is rejection, okay,
9 and the experience I have is, when you give people the
10 opportunity to embrace or accept written down as fact,
11 it's when you get to the rejection stage that you've
12 got to have the discussions, okay, and as you will
13 see, if, out of our nominal group technique we get
14 something all the way down and someone says, "I put my
15 five on it and no one else likes it," okay, that's
16 where the discussion will be, but I think this is an
17 opportunity, again, to connect on fact and so we'll
18 give it a whirl and see what comes out of it.

19 So, what I would like to do is just some
20 brainstorming. The first is this notion of our shared
21 values, and brainstorming is, let's go around the
22 room, let's write them on the board, there are no good
23 ideas, no bad ideas, but what are -- what's our sense
24 of shared values or attributes of higher education
25 system? Go ahead.

26 COMMISSIONER ROTHKOPF: I'd say that it's

1 every qualified student who graduates from high school
2 should have access to college.

3 COMMISSIONER DUDERSTADT: Access as a
4 general value.

5 COMMISSIONER STEPHENS: Okay, so, access
6 as a general value.

7 COMMISSIONER DUDERSTADT: Quality as a
8 general value. Innovation as general value.

9 COMMISSIONER STEPHENS: Well, hold on
10 while she rights all that down.

11 CHAIRMAN MILLER: Could we change access
12 to opportunity?

13 COMMISSIONER DUDERSTADT: Opportunity is
14 good.

15 COMMISSIONER VEST: Yes, because that's my
16 word.

17 CHAIRMAN MILLER: Thank you, that's what
18 the public would say. That's the fundamental value.

19 COMMISSIONER STEPHENS: So, access -- what
20 I heard was access, opportunity, --

21 COMMISSIONER ROTHKOPF: I accept the
22 amendment of opportunity.

23 COMMISSIONER STEPHENS: Okay, yes.

24 COMMISSIONER DUDERSTADT: Well, put
25 quality on there.

26 COMMISSIONER STEPHENS: So,

1 access/quality.

2 COMMISSIONER DUDERSTADT: Quality.

3 COMMISSIONER STEPHENS: So, quality. How
4 to more define --

5 COMMISSIONER DUDERSTADT: World class
6 quality.

7 COMMISSIONER STEPHENS: What's that?

8 COMMISSIONER ROTHKOPF: The quality of the
9 output that the institutions are doing.

10 COMMISSIONER DUDERSTADT: Yes, access to
11 mediocrity is not opportunity.

12 COMMISSIONER STEPHENS: Okay, so, I'm
13 going to press a little bit more about quality,
14 because I think we struggle with what that means.

15 COMMISSIONER DUDERSTADT: Okay, where do
16 we set the bar, okay? And, I still think we have to
17 set the bar at world-class quality for all elements of
18 our higher education system.

19 COMMISSIONER STEPHENS: So, who sets that
20 criteria?

21 COMMISSIONER DUDERSTADT: I think the
22 world does.

23 COMMISSIONER STEPHENS: Okay, is it set in
24 terms of knowledge created?

25 COMMISSIONER DUDERSTADT: It is, in terms
26 of learning added.

1 COMMISSIONER STEPHENS: Okay, so, world-
2 class knowledge creation.

3 COMMISSIONER DUDERSTADT: And world-class
4 value-added education.

5 COMMISSIONER ELLIOTT: It's leverageable.

6 COMMISSIONER STEPHENS: So, who defines
7 that? Do businesses define that? Does the
8 marketplace define that?

9 COMMISSIONER DUDERSTADT: I think society
10 defines it. It's much broader than in business.

11 COMMISSIONER STEPHENS: Okay, so, okay.
12 So, I think there's two elements, one is --

13 COMMISSIONER VEST: I think -- it sounds
14 to me like the academy defines that.

15 COMMISSIONER DUDERSTADT: No, I wouldn't
16 put knowledge in there, it's the -- all of the
17 products of higher education, all of the elements of
18 higher education, we have to drive toward the highest
19 possible quality.

20 COMMISSIONER STEPHENS: So, part of my
21 inclination to split that up is that there's lots of
22 things that --

23 CHAIRMAN MILLER: The two missions are
24 teaching and learning and research.

25 COMMISSIONER GRAYER: Yeah, I would add --

26 CHAIRMAN MILLER: The creation of

1 knowledge and getting old knowledge.

2 COMMISSIONER GRAYER: I would add the
3 concept of affordable quality.

4 COMMISSIONER VEST: Yeah, where does
5 efficiency come in?

6 COMMISSIONER GRAYER: Yeah.

7 COMMISSIONER STEPHENS: SO, we'll come
8 back to -- so, affordability?

9 COMMISSIONER GRAYER: Yeah, affordability.

10 COMMISSIONER STEPHENS: Okay.

11 COMMISSIONER VEST: Citizenship of a
12 nation in the world. Our students in our institutions
13 need to be good citizens of this nation and the world.

14 COMMISSIONER STEPHENS: Okay, so --

15 COMMISSIONER VEST: That's -- correct.

16 COMMISSIONER STEPHENS: Okay. Gerri.

17 COMMISSIONER ELLIOTT: I'd like to see the
18 graduates mirror the populations we serve, and that's
19 a diversity statement.

20 COMMISSIONER STEPHENS: Okay.

21 CHAIRMAN MILLER: The public would say job
22 or career opportunities would be the highest values.

23 COMMISSIONER STEPHENS: Thank you, someone
24 wants us on tape. Okay, you have diversity. So, as
25 Gerri said, the graduates represent the population we
26 serve.

1 COMMISSIONER ELLIOTT: Populations we
2 serve.

3 COMMISSIONER STEPHENS: Okay.

4 CHAIRMAN MILLER: Job and career
5 opportunities. That's the public's number one value,
6 I think, if you took a poll. So, it ought to be on
7 the list.

8 COMMISSIONER STEPHENS: So, I think
9 another one I just heard Charles say, students have
10 job opportunities. Did I get it right, Charles?

11 CHAIRMAN MILLER: Job and career --

12 COMMISSIONER STEPHENS: Job and career
13 opportunities. So, Vickie, can you maybe help --
14 paste these on the wall? Pick a good wall that we'll
15 be able to all walk up against, because we're all
16 going to just dominate the wall in a few minutes.
17 Elaine, did you get it? Creates career and job
18 opportunities. Dr. Sullivan?

19 COMMISSIONER SULLIVAN: I'd say quality in
20 education has to enhance the social well being of
21 individuals and society.

22 COMMISSIONER STEPHENS: Okay, so let's --
23 you got this one? Career works for me, C-A-R-E-E-R.

24 COMMISSIONER SULLIVAN: This is a leading
25 subject.

26 COMMISSIONER STEPHENS: So, now, Dr.

1 Sullivan, would you please say that again?

2 COMMISSIONER SULLIVAN: Quality education
3 would be an education that enhances well being of
4 individuals and society.

5 COMMISSIONER STEPHENS: Enhances well
6 being of individuals and societies. Bob?

7 COMMISSIONER ZEMSKY: This is a whole --
8 they keep shooting at me, I'll try -- this is in a
9 whole different direction, but I think a piece of
10 value, at least for me, is that these are about
11 institutions that have leadership responsibilities,
12 that we're not -- we aren't business and we aren't
13 just enterprises, we have public responsibilities and
14 leadership responsibilities.

15 COMMISSIONER STEPHENS: So, it has a
16 public and leadership responsibilities. Okay. Bob?

17 COMMISSIONER MENDENHALL: Rick, I don't
18 know if this fits in your process, and I don't want to
19 change it, but you wouldn't bring this up because you
20 wrote it, but you sent all of us your kind of view of
21 shared values in an e-mail and I guess I just -- so
22 far, everything that's been said, I think you've
23 captured in your six values that you listed for us,
24 and I guess I'm wondering -- I kind of felt that when
25 I read that, you said that pretty well and captured it
26 pretty well. I guess I'm wondering if the rest of the

1 Commission coalesced a little bit around those ideas
2 that you have or -- I mean, I don't know that we're
3 doing anything differently here than what you
4 suggested, unless we're trying to rank these six as to
5 what's most important.

6 COMMISSIONER STEPHENS: So, if everyone
7 were to buy into this, we could stop and go on the
8 next one. I don't presuppose that, and that's really
9 what this discussion is about.

10 COMMISSIONER MENDENHALL: Well, you
11 wouldn't bring it up, but I would propose to the
12 Commission to get your thoughts about -- Rick tried to
13 capture this and gave us six points, and I thought he
14 captured them pretty well, let's --

15 CHAIRMAN MILLER: Could somebody read them
16 out?

17 COMMISSIONER MENDENHALL: Okay, I'll
18 volunteer. Higher education must contribute to
19 economic prosperity, public health, social well being,
20 national security, and expand the knowledge base, and
21 that's one.

22 COMMISSIONER DUDERSTADT: That's too
23 long, we can't afford it. We've only got three dots.

24 COMMISSIONER MENDENHALL: I'll read them
25 all and then comment. Two, higher education must be
26 available throughout an individual's life. Three,

1 America's higher education system should be of high
2 quality and affordable. Four, the higher education
3 system must provide world-class research, innovation,
4 and knowledge creation and develop outstanding
5 scientists, engineers, and other knowledge
6 professionals that develop a learning infrastructure
7 necessary for the nation to sustain its leadership in
8 a global economy. Five, higher education must have
9 the capacity to adapt to changes driven by forces that
10 include globalization technology and changing
11 demographics that necessitate and evolve in learning
12 and teaching environment, i.e. lifelong learning, new
13 providers like for-profit cyber-universities, and new
14 paradigms like distance learning, *et cetera*. Six, the
15 American public must recognize that higher education
16 is not a one-time event but rather an important and
17 integral part of an individual's continued
18 development, necessary to ensure success in an ever-
19 complex and competitive global environment.

20 COMMISSIONER ELLIOTT: Those are great.
21 The diversity isn't in there, but those are great.

22 COMMISSIONER ROTHKOPF: Can I suggest, I
23 think I would subscribe to every one of those, I think
24 they're very well stated, I think diversity is not.
25 The other is the -- I call it the citizenship point,
26 the preparing students for a life in, you know, for

1 dealing with the public issues that come up and
2 citizenship questions.

3 COMMISSIONER VEST: I already put it up
4 there. I put citizenship up there.

5 COMMISSIONER ROTHKOPF: You did, but he
6 didn't.

7 COMMISSIONER DUDERSTADT: Let's put
8 something we didn't have up there, and that's public
9 trust and confidence in higher education.

10 COMMISSIONER STEPHENS: So, I think, Bob,
11 what you're trying to do is move us further down this
12 process faster, and my reaction is, all I'm trying to
13 do is get us to coalesce so we're on a common set of
14 values. That's the nature behind this. I heard the
15 addition of diversity needed to be added in there.

16 COMMISSIONER VEDDER: Efficiency issues
17 come under affordability in this --

18 COMMISSIONER STEPHENS: Yes, that was the
19 intent.

20 COMMISSIONER VEDDER: I was just asking
21 the question.

22 COMMISSIONER ZEMSKY: Why, Richard, would
23 you settle for that? Efficiency and affordability
24 aren't the same thing.

25 COMMISSIONER VEDDER: I asked the question
26 --

1 input. If output is quality, inputs are costs, that
2 gives you efficiency, so, yes. I agree with Arturo,
3 who is -- that's the first word he said all day, I
4 have to agree with him.

5 COMMISSIONER MARTINEZ TUCKER: I struggle,
6 Rick, whether this belongs in Gerri's diversity or in
7 Art's -- Chuck's opportunity, but I think I have to
8 say it and just see if you see it the same way. I
9 think more people have to see themselves in college
10 and actively seek higher education.

11 COMMISSIONER ELLIOTT: Believe they have
12 the opportunity?

13 COMMISSIONER MARTINEZ TUCKER: Believe
14 they have the opportunity. I think too many are
15 disenfranchised and don't believe that college is for
16 them, and so, I think we need to get more Americans to
17 understand that higher education is a necessity and
18 want it and take active steps to get it.

19 COMMISSIONER STEPHENS: So, the intent,
20 under the American public, recognizes higher public
21 education is not just a one-time event but an integral
22 part of an individual's continued development and as
23 for their success, and it was intended to put that in.

24 Adding some additional words to flavor --

25 COMMISSIONER VEDDER: To flavor, I think
26 is a little missing from that.

1 COMMISSIONER STEPHENS: Fair enough, and
2 my challenge, and there's one are that it's not clear,
3 you and I would agree with, and I may have a
4 difference with the rest of the Commission. I believe
5 higher education is everything after high school, and
6 it's not necessarily defined as college, and I think
7 it's an important element that we have to recognize
8 because if we're going to work all the elements,
9 certainly, there are the institutions, but education
10 comes in a number of flavors, and we want people to
11 work all the way through that, not --

12 COMMISSIONER DUDERSTADT: Higher and
13 further education.

14 COMMISSIONER STEPHENS: Higher and further
15 education, yes.

16 COMMISSIONER MARTINEZ TUCKER: When you
17 say "American public," --

18 COMMISSIONER STEPHENS: Fair enough.

19 COMMISSIONER MARTINEZ TUCKER: -- it's
20 almost the consumer of it versus the user of it.

21 COMMISSIONER STEPHENS: Fair enough. I
22 could certainly buy into that.

23 COMMISSIONER ELLIOTT: If our goal is to
24 become a knowledge economy, we have to look at it as
25 lifelong learning.

26 COMMISSIONER STEPHENS: No question.

1 COMMISSIONER ELLIOTT: You can't look at
2 it as the four years.

3 COMMISSIONER STEPHENS: No question.

4 COMMISSIONER ZEMSKY: As Rick put it in
5 your value language, what Sara's talking about is
6 educational empowerment, and that's the value she
7 believes in, and that it some way, she's arguing that
8 we haven't promoted enough the sheer power of
9 education, and that's the definition of empowerment.

10 COMMISSIONER STEPHENS: So, what I think
11 you're saying is, every individual values education .

12 COMMISSIONER ELLIOTT: Or, thinks they
13 have the opportunity.

14 COMMISSIONER ZEMSKY: Pursuit of
15 education.

16 COMMISSIONER STEPHENS: Okay, so making
17 two points, individuals value and society empowers
18 people to pursue.

19 COMMISSIONER ZEMSKY: Fair enough.

20 COMMISSIONER MADRID: Rick, since we're
21 putting words in Sara's mouth, let me go a little bit.

22 I think there's a tension between our society between
23 aspirations and expectations, and I think this is part
24 of what Sara was talking about, making sure that the
25 opportunity is there, because there is a way of
26 getting people's aspirations and the expectations, and

1 the possibility of realizing.

2 COMMISSIONER ZEMSKY: But, see, Rick, if
3 you empower the pursuit of education, then you also
4 have an obligation to prepare people all the way along
5 the line, so I think that this is as much a statement
6 about what happens before "college" as what happens
7 once you cross the college barrier, so I think I think
8 Sara's really saying, and I think Arturo's saying that
9 there has to be a value that says the society
10 prepares, literally prepares people to be lifelong
11 learners.

12 COMMISSIONER STEPHENS: Okay.

13 COMMISSIONER ZEMSKY: And, that starts,
14 surely --

15 COMMISSIONER HAYCOCK: Is that something
16 like universal preparation for and participation in
17 postsecondary education?

18 COMMISSIONER ZEMSKY: Lifelong learning,
19 you're not going to trap me.

20 COMMISSIONER STEPHENS: So, what Bob's
21 saying is that society prepares people to pursue --

22 COMMISSIONER ZEMSKY: Lifelong learning.

23 COMMISSIONER STEPHENS: Okay. Louis?

24 COMMISSIONER SULLIVAN: Yes, this is,
25 perhaps, nitpicking and would, maybe, be addressed in
26 the final wordsmithing, but in my view -- well, first

1 of all, what I think you've done here is very good. I
2 fully subscribe to it. The difference is in the order
3 in which I would place it. For example, your first
4 value is education must contribute to economic
5 prosperity, public health, *et cetera*. I would put --
6 I would order that education would first expand the
7 knowledge base, then secondly, enhance social well
8 being, then economic prosperity.

9 COMMISSIONER STEPHENS: Fair enough.

10 COMMISSIONER SULLIVAN: So, it's that sort
11 of thing.

12 COMMISSIONER STEPHENS: As Chuck would
13 say, this is the business guy coming out of me in
14 terms of putting the order in.

15 COMMISSIONER WARD: Rick, is there a way
16 we could ensure conduits when you were encouraging us
17 to respond -- can we -- so, you can see, words like
18 efficiency, civic, value, whatever, diversity, are in
19 here, and it's a little tautology now, because on the
20 wall, there, are some of the same things.

21 COMMISSIONER STEPHENS: No question, and
22 so, I think we have a choice, and we can kind of make
23 this decision relatively quickly. The intent of going
24 through this nominal group technique was to kind of
25 drive through the shortened perspectives of the words
26 you're talking about and be able to have our list

1 tight and cogent, okay? I was a little wordy in terms
2 of these. Some of us can probably take on these wordy
3 ones and skinny them down to have the same effect and
4 allow us to move on to the second, which I believe is
5 the more important discussion, is, in fact, so, what
6 are we going to do? What are the important things
7 that we think we need to pursue? And so, we have a
8 choice of -- we can continue calling through the short
9 list, that's one choice, or the other is, a few of us
10 can work this on shortening this up and move on to the
11 second element which is, so, what are our priorities
12 about being able to achieve these values and vision?
13 Chuck?

14 COMMISSIONER VEST: There are some ancient
15 fundamentals that I think must be among our values. I
16 would put up there "conservator and critic of
17 culture."

18 COMMISSIONER DUDERSTADT: What about a
19 whole moral reasoning? The purpose of a liberal
20 education.

21 COMMISSIONER VEST: The maintenance and
22 furtherance of a Western civilization. I mean,
23 really, it is -- putting it in --

24 COMMISSIONER STEPHENS: How about
25 "civilization" as opposed to "Western?"

26 COMMISSIONER VEST: Take "Western" out,

1 I'm getting too political.

2 COMMISSIONER STEPHENS: Thank you.

3 COMMISSIONER VEST: No, seriously, some
4 buzz words that came up in the Commission earlier, I
5 don't know how they fit in this, but let me mention
6 them. One is transparency. Is that too far away that
7 whatever we do in higher education should be visible,
8 should be out in the open, --

9 COMMISSIONER DUDERSTADT: Accountability
10 gets that, we have to put that on there.

11 COMMISSIONER VEST: But, is that -- the
12 other words is "competition." I go back to President
13 Garland's presentation, earlier. Don't we also
14 believe that students should have a rich variety of
15 choices as to types of institutions that they can
16 attend? And, I don't know that's something we agree
17 to or not.

18 COMMISSIONER DUDERSTADT: Competition is
19 certainly a vice to move toward some of these
20 objections. I think diversity --

21 COMMISSIONER VEST: Options, options.

22 COMMISSIONER MENDENHALL: I gather, some
23 don't believe in competition as a value?

24 COMMISSIONER VEDDER: I think our
25 challenge is going to be to distinguish what are
26 values and what are ways of achieving --

1 COMMISSIONER STEPHENS: Yes.

2 COMMISSIONER MENDENHALL: I think we value
3 competition, but probably, as a means to an end as
4 opposed to an end in itself. I think we value
5 educating consumers about the value of college, but as
6 a means to an end.

7 COMMISSIONER STEPHENS: Jonathan?

8 COMMISSIONER GRAYER: I feel obligated to
9 paint another picture which has to fit into this,
10 because, as our Chairman has said, we're talking about
11 the whole spectrum.

12 In Corpus Christi, we have an institute
13 that would fit under your definition of higher
14 education, and it is populated mostly by women who
15 have left household laboring jobs to become certified
16 as what -- they begin their career as medical
17 paraprofessionals, they are going to start coding
18 bills. That's the first job that they're going to
19 get, and they're going to work up a ladder that will
20 allow them, one day, to become a medical technician.
21 They will never get an Associate's degree, they are
22 getting a certificate defined by the State of Texas.
23 In California, Texas, and Florida, with increasing
24 populations which are never thinking about a liberal
25 education, the value structure that we paint has to
26 have room for that student who will increasingly be

1 calling on federal funds to get their higher
2 education. They are learning to earn, they are not
3 learning to acquire skills beyond their ability to get
4 a better job, because the infrastructure we have in
5 place does not provide for that.

6 Now, we want to be true to this set of
7 values that we're describing. In Corpus Christi,
8 where it is very little choice for them, we have a
9 huge economic bill to pay, and the question I think we
10 have to establish is, how inclusive a statement are we
11 trying to make?

12 COMMISSIONER STEPHENS: So, here would be
13 my thought process in terms of what those women are
14 going through, in addition to a technical perspective
15 they're gaining, which is a skill to be able to go out
16 on the marketplace --

17 COMMISSIONER GRAYER: And earn more money.

18 COMMISSIONER STEPHENS: -- and earn more
19 money, my sense is that they're going to need to have
20 some elements that are critical to what most would say
21 is a liberal education. They need to be able to think
22 critically, they need to be able to evaluate an
23 option, they need to be able to communicate with
24 others, they need to be able to interact, they need to
25 be able to make decisions. To me, those are all part
26 of what comes out of that --

1 COMMISSIONER GRAYER: Absolutely, a value,
2 but a reality is, if a job market spikes while they're
3 in school, they leave because they need the higher
4 pay. The reality of our system is that there is no
5 room in the funding mechanisms that they can access
6 for that type of education. Now, we can not address
7 this, and that might be not a value that we want to --

8 COMMISSIONER DUDERSTADT: But, doesn't the
9 phrase "economic prosperity" cover that?

10 COMMISSIONER ELLIOTT: Or, economic empowerment?
11 There's no difference in --

12 COMMISSIONER GRAYER: That's -- the
13 intention comes from talking about the access to a
14 liberal education. Many students in this country
15 can't afford access to a liberal education as we're
16 defining it, and the system we have in place doesn't
17 give them the financial means to do it. That's really
18 what my point is.

19 COMMISSIONER DUDERSTADT: But, in fact,
20 these are aspiration goals as much as anything. I
21 mean, I would put citizenship, you know, that national
22 and global citizenship is something that we all --

23 COMMISSIONER GRAYER: Well, that's a nice
24 -- that's a good way to take it. Most of these
25 students are Hispanic and were not born in the U.S.,
26 and that would be a good way of phrasing it, yes.

1 COMMISSIONER STEPHENS: Not all of the
2 results that come out what we're trying to, from an
3 educational system perspective, we're going to meet
4 all of the values, but you certainly want to drive
5 toward the bulk of those, and we're achieving what's
6 great.

7 COMMISSIONER GRAYER: But, repositioning
8 all of them so that they're accessible to all our
9 students, like Jim has stated, is a very good way of
10 approaching it.

11 COMMISSIONER STEPHENS: Okay. SO, any
12 other key thoughts on this? Because my, unless you
13 all say, "no, let's not head down this path," what I'd
14 like to do is shift gears, because what I think I've
15 heard is, shorten some of these up, include the
16 additional items we've talked about, and we'll work on
17 these tonight, get them all out to you tonight, and
18 take a look at them, and then, you know, over the
19 course, work our way through. Does that make sense?

20 COMMISSIONER VEDDER: That's how you work
21 in the private sector. You do it overnight. The
22 public sector, we take six months and have six
23 committees.

24 COMMISSIONER STEPHENS: So, let me shift
25 gears, then, if I can, to use our last 30 minutes, and
26 really talk about, then, and use the same process of

1 brainstorming, about what are the things that we need
2 to do to head down this path of achieving these
3 values, which I think is going to be at the heart of
4 what we want to come back around, in terms of our
5 report back to the Commission. And so, heading down
6 that path -- now, I think this is where things will
7 get a little bit bloody, because it's not entirely
8 clear to me we are going to come to a consensus or
9 alignment, but I think it will go a long way to at
10 least getting our perspectives on the table so we can
11 start saying, "Okay, we understand and we agree, we
12 understand where we disagree."

13 CHAIRMAN MILLER: Well, here's the answer
14 to the academy. We're the best in the world, send us
15 more money, and leave us alone. That's the policy.

16 COMMISSIONER VEDDER: Rick, Bob
17 Mendenhall, you sent out a nice document which we have
18 now expanded successfully, I think, into really
19 getting down to the nitty gritty. Bob Mendenhall sent
20 out sort of a bullet point memo that had more than
21 just bullet points in it, but it had four very
22 explicit goals, at least, basic goals, that pick up on
23 some of these points. I don't think it's the last
24 word. I don't think Bob does, either, but it might be
25 a starting point where we could use in terms of --
26 call it bullet points or main ideas.

1 COMMISSIONER STEPHENS: Fair enough, put
2 them out here.

3 COMMISSIONER VEDDER: Can I read you Bob's
4 four?

5 COMMISSIONER STEPHENS: Sure, and I'll
6 keep writing fast.

7 COMMISSIONER VEDDER: Bob read Rick's
8 four, I'll read Bob's -- Rick's six, I'll read Bob's
9 four. One, significantly increase access to and
10 success in higher education for a greater percentage
11 of the population, particularly for low-income and
12 minority populations and for adults as well as
13 traditional aid students. That was point one.

14 May I just read them and then we --

15 COMMISSIONER STEPHENS: Well, hold -- can
16 I write, here, real fast?

17 COMMISSIONER VEDDER: You can, yeah. You
18 can do a report in 24 hours, you can write fast.

19 COMMISSIONER DUDERSTADT: Stick access and
20 success in there.

21 COMMISSIONER STEPHENS: Have I kind-of got
22 it?

23 COMMISSIONER VEDDER: Yeah.

24 COMMISSIONER STEPHENS: Okay.

25 COMMISSIONER VEDDER: Okay, two, make
26 higher education more affordable, primarily by

1 increasing productivity and decreasing the inflation-
2 adjusted costs of higher education, net of external
3 research support and hospital operations, and
4 secondarily, by increasing financial aid to the
5 neediest students.

6 COMMISSIONER MENDENHALL: I can simplify
7 that --

8 COMMISSIONER STEPHENS: Yeah, simplify it,
9 please.

10 COMMISSIONER MENDENHALL: Bob Zemsky's
11 words make higher education more affordable, primarily
12 by making -- becoming more efficient and also by
13 increasing financial aid to the neediest students.

14 COMMISSIONER VEDDER: Yeah, that's the --

15 COMMISSIONER MENDENHALL: The rest of that
16 was all about being more efficient.

17 COMMISSIONER ZEMSKY: I would only add,
18 since I got -- what I really say is, figure out how to
19 use the market to make this more efficient, but I
20 continue to argue that bolts from Capitol Hill --
21 lightning bolts from Capitol Hill are not going to
22 make us more efficient, but I thought what Garland did
23 today was signaling the way --

24 COMMISSIONER VEDDER: He's sitting behind
25 you, by the way, Bob, so, --

26 COMMISSIONER ZEMSKY: I'm way behind him -

1 - that he was signaling that here was a way of using
2 the market to actually start a process that would
3 increase the pressures on us to be more efficient. If
4 you're going to --

5 COMMISSIONER MENDENHALL: I agree, but I
6 think that goes in our strategy to achieve the goal as
7 opposed to end the goal.

8 COMMISSIONER VEDDER: Could I finish
9 reading the four goals, Bob? And, I agree with
10 Zemsky, but I also want to finish the four goals,
11 because we've got a 6:00 cocktail party, which is more
12 important.

13 CHAIRMAN MILLER: Actually, 6:30, but --

14 COMMISSIONER VEDDER: Well, 6:30, Bob.
15 Goal three, increasing the intuitional accountability
16 for the quality of higher education by publishing
17 common measures of learning achievement for all
18 institutions. Now, that may be too specific, but
19 that's what the goal is.

20 COMMISSIONER STEPHENS: Say again?

21 COMMISSIONER VEDDER: Increasing
22 institutional accountability for the quality of higher
23 education by publishing common measures of learning
24 achievement for all institutions.

25 COMMISSIONER MENDENHALL: At the risk of
26 getting hit, I'll simplify that one, too.

1 COMMISSIONER STEPHENS: Please.

2 COMMISSIONER MENDENHALL: Increasing
3 accountability and transparency for quality, period.

4 COMMISSIONER STEPHENS: That's better.

5 COMMISSIONER MENDENHALL: The Secretary
6 really started us off with a pretty good outline,
7 access, affordability, accountability, and quality,
8 and we get a -- we did add more, of course, to that.

9 COMMISSIONER VEDDER: Number four, this
10 one actually has a specific number in it. Double the
11 number of graduates in critically needed scientific
12 and engineering fields within a decade. We had
13 earlier discussions on that which I don't know if they
14 got picked up in our shared values or --

15 COMMISSIONER DUDERSTADT: That's a
16 different breed of cat, here, because you're actually
17 setting a numeric goal, and --

18 CHAIRMAN MILLER: I actually would
19 personally vote against the numeric goal or any of
20 those kind of targets, not because they might not be
21 right, but we're picking that number out of mid-air,
22 there are probably four, five, or other major
23 professions where that probably also exists, and
24 people make those goals all the time, and they become
25 really ludicrous in retrospect. Europe does it --
26 2010, or somebody in 1990 made a 2000 goal statement,

1 they really do tend to work against us as opposed to
2 policies that will drive that kind of thing.

3 COMMISSIONER DUDERSTADT: Double goes.

4 COMMISSIONER STEPHENS: So, that one may
5 not get a lot of votes from Charles.

6 COMMISSIONER ELLIOTT: Although, I would
7 argue a little bit based upon what's happening in --
8 in China, globalization, *et cetera*, it would behoove
9 us to think about a hard-core goal in that particular
10 discipline, but we can hold that to when we get past
11 important elements and to-dos, and recommendations, *et*
12 *cetera*.

13 COMMISSIONER STEPHENS: So, we have four
14 items on the table, the question is, do we have more
15 than we want to add? Because, this is an important
16 part of what we're trying to get, some alignment,
17 because based upon this, we'd say that's the four
18 strategies we're going to head down.

19 COMMISSIONER ELLIOTT: But, Rick, I look
20 at the --

21 COMMISSIONER DUDERSTADT: Let's put a few
22 more out here, okay? Let's not close it out.
23 National commitment to universal access for lifelong
24 learning. Or, national commitment to the universal
25 access for lifelong learning.

26 COMMISSIONER VEDDER: Does that duplicate

1 number one? I don't know.

2 COMMISSIONER DUDERSTADT: No, number one
3 is --

4 COMMISSIONER VEST: Jim, may I offer a
5 number -- a friendly comment, just to be sure?

6 COMMISSIONER DUDERSTADT: A friendly
7 amendment?

8 COMMISSIONER VEST: I would put,
9 particularly -- I would put this one in the context of
10 workforce skills.

11 COMMISSIONER DUDERSTADT: Okay, good.
12 Yeah, and that ties into Arthur's' --

13 COMMISSIONER VEST: Put in parenthesis
14 there, workforce skills.

15 COMMISSIONER STEPHENS: There we go,
16 thanks. Okay. Others?

17 COMMISSIONER ELLIOTT: Rick, can you help
18 me, because I'm now confused. I thought we just
19 finished a conversation on values.

20 COMMISSIONER STEPHENS: We did.

21 COMMISSIONER ELLIOTT: I see a lot of the
22 value statements in Bob's statements. They're
23 fantastic. A lot of those are in Bob's statements. I
24 thought important elements to go forward were more
25 things like --

26 COMMISSIONER VEDDER: What are we going to

1 recommend to go do?

2 COMMISSIONER ELLIOTT: Yeah.

3 COMMISSIONER VEDDER: That was the intent.

4 COMMISSIONER ELLIOTT: That's why I was
5 confused.

6 COMMISSIONER STEPHENS: The intent is that
7 --- what are we going to recommend to go do?

8 COMMISSIONER ELLIOTT: Okay, so, are we
9 still on values?

10 COMMISSIONER STEPHENS: We're off the
11 values. We switched off values. We are at, what are
12 we going to recommend to go do, and so we're trying to
13 get the list of things, what are we going to go do?

14 COMMISSIONER VEDDER: Are we deciding,
15 Gerri -- these are a list of goals, things we'd like
16 to do, but then, there are different ways of getting
17 to those goals, and that's the next stage.

18 COMMISSIONER DUDERSTADT: And, that last
19 one is very similar to the commitment the Truman
20 Commission made in the late 1940s to undergraduate
21 education.

22 COMMISSIONER STEPHENS: What we'll find
23 is, if we continue to brainstorm and get the thoughts
24 on the table, when we do our multi-voting, you're
25 going to see these, again, to coalesce around some
26 items that -- we'll come up with four or five, and

1 that's what's going to happen out of our multi-voting
2 process. So, right now, let's get the ideas on the
3 table. If you think you've not heard it, talk about
4 it, we'll get there.

5 COMMISSIONER ROTHKOPF: Yeah, and I'm not
6 sure if I'm in the right category or not, but to
7 provide the opportunity, I think we need an outreach
8 program to persuade the public, prospective students
9 and their parents, of the value of education.

10 COMMISSIONER STEPHENS: So, an outreach
11 program for parents and students to help them
12 understand the value of education.

13 Go ahead, Charles.

14 COMMISSIONER VEST: National commitment to
15 need-based financial aid for post-secondary education.

16 COMMISSIONER STEPHENS: Next one? Elaine
17 will write it down.

18 COMMISSIONER ZEMSKY: Again, the national
19 commitment to genuine alignment between K-12 and post-
20 secondary education. I don't think we have to preach
21 that to make education important, we have to prepare
22 them for the type of education they need.

23 COMMISSIONER STEPHENS: Okay, got that,
24 Elaine?

25 COMMISSIONER ZEMSKY: Commitment to
26 alignment.

1 COMMISSIONER STEPHENS: National
2 commitment to alignment.

3 COMMISSIONER ZEMSKY: Or, strategy for
4 alignment would be better, I feel.

5 COMMISSIONER MENDENHALL: Rick? Again,
6 not to mess up the process, but the last three
7 suggestions, I actually had as recommendations under
8 the goals, and I guess the question is, how do we want
9 to structure this, okay?

10 COMMISSIONER STEPHENS: Let this play out,
11 we'll get there.

12 CHAIRMAN MILLER: No, I think it --

13 COMMISSIONER MENDENHALL: It seems to me
14 that we want to have values, and then we want to have
15 goals that reflect the values, and we should -- those
16 should resemble the values, and then we ought to have
17 some recommendations of how to implement those goals.

18 COMMISSIONER MARTINEZ TUCKER: And, Bob?

19 COMMISSIONER STEPHENS: We'll get there.

20 COMMISSIONER MARTINEZ TUCKER: One of the
21 ones missing from the go-dos was whether we use the
22 term "fix" or "blow up," as Jim did, federal financial
23 aid. Simplify, fix, whatever you want to use.

24 COMMISSIONER DUDERSTADT: How about
25 "nuke?"

26 COMMISSIONER MENDENHALL: Okay, but Sara,

1 despite what was written there, my comment was on
2 that. Need-based --

3 COMMISSIONER STEPHENS: So, keep on going.
4 Remember, in brainstorming, there aren't any good --
5 there aren't any bad ideas. What's going to happen
6 is, it will all settle itself out because we'll start
7 combining as we get there.

8 COMMISSIONER MARTINEZ TUCKER: We don't
9 want to combine these. These are two distinct things.
10 One is, simplify federal financial aid to make it
11 more transparent for the users. The second one is,
12 find funds for need-based. Yes, so, they're separate.

13 COMMISSIONER STEPHENS: Say that one
14 again?

15 COMMISSIONER MARTINEZ TUCKER: The first
16 one is, --

17 COMMISSIONER STEPHENS: Simplify or fix
18 financial aid.

19 COMMISSIONER MARTINEZ TUCKER: And, the
20 second one is what Chuck had said earlier, --

21 COMMISSIONER ELLIOTT: Which you have
22 already, needs-based.

23 COMMISSIONER STEPHENS: Fine, okay, no.
24 We'll see how the process plays itself out. We're
25 going to vote and decide this.

26 COMMISSIONER ROTHKOPF: Policies and

1 programs to stimulate innovation in higher education.

2 COMMISSIONER STEPHENS: So, policies and
3 programs to stimulate innovation.

4 COMMISSIONER ROTHKOPF: In higher
5 education.

6 COMMISSIONER STEPHENS: Others? Arthur?

7 COMMISSIONER ROTHKOPF: Yeah, I don't know
8 how you describe it, but I'd like to endorse our
9 willingness to look at what Jim Garland was talking
10 about today, relating to the financing of state
11 education.

12 COMMISSIONER VEDDER: I agree, but I think
13 maybe that got -- what I'm worried about is getting
14 excessively long lists of things, here.

15 COMMISSIONER STEPHENS: So, please, don't
16 worry about the long list. It's going to get down to
17 five. The dots are going to bring it together.

18 COMMISSIONER VEDDER: Well, I want a
19 drink.

20 COMMISSIONER MENDENHALL: That's a value.

21 COMMISSIONER STEPHENS: So, put down,
22 Richard wants a drink. No, I'm sorry. Other ideas?
23 Go ahead, Bob.

24 COMMISSIONER MENDENHALL: I think we need
25 a national investment in educational technology that
26 works. That's what Carol Twigg --

1 COMMISSIONER DUDERSTADT: That's also --

2 COMMISSIONER MENDENHALL: That was what
3 Jim was saying --

4 COMMISSIONER DUDERSTADT: That's one of
5 my policies and programs is a national R&D
6 infrastructure, but to put it in exclusively --

7 COMMISSIONER VEST: Yeah, but Jim, get the
8 R&D piece up there. That's really -- learning R&D is
9 really important.

10 COMMISSIONER DUDERSTADT: Yeah, that's
11 what we're talking about.

12 COMMISSIONER VEST: Major investment in
13 R&D directed at learning.

14 COMMISSIONER DUDERSTADT: Learning R&D,
15 yeah.

16 COMMISSIONER VEST: Learning R&D.

17 COMMISSIONER STEPHENS: Okay, others.
18 Art?

19 COMMISSIONER ROTHKOPF: Yeah, a consumer-
20 friendly database for -- with information on higher
21 education institutions.

22 COMMISSIONER STEPHENS: Okay.

23 COMMISSIONER ROTHKOPF: I think we talked
24 about it, and I want it out there.

25 COMMISSIONER ELLIOTT: And students. Add
26 "and students" to the end of your thing there.

1 COMMISSIONER STEPHENS: Peter?

2 EX OFFICIO MEMBER FALETRA: One thing we
3 have, it's like -- we're not going to win this for the
4 world in numbers, we're going to do it in quality, and
5 we haven't quite heard that yet.

6 COMMISSIONER STEPHENS: So, how -- try --
7 just putting the words up, we'll --

8 EX OFFICIO MEMBER FALETRA: The quality of
9 our education system versus quantity.

10 COMMISSIONER STEPHENS: Okay, okay.

11 COMMISSIONER STEPHENS: Focus on quality
12 over quantity.

13 EX OFFICIO MEMBER FALETRA: Over quantity.

14 COMMISSIONER STEPHENS: Okay. Others?

15 COMMISSIONER MENDENHALL: Just -- my
16 fourth goal is sort-of my weak effort at a goal around
17 knowledge creation, research, that whole function of
18 higher ed. I agree that double the graduates is a
19 double proxy for that, but we need a better goal
20 around --

21 COMMISSIONER DUDERSTADT: Just endorse the
22 President's American Competitiveness Initiative.
23 Endorse ACI, right? Seriously. That covers it all.

24 COMMISSIONER ELLIOTT: Why recreate it?

25 CHAIRMAN MILLER: I don't think we should
26 endorse anybody else's program, I think, when we're

1 not having luck with our own program.

2 COMMISSIONER STEPHENS: We'll vote.

3 CHAIRMAN MILLER: If we have parallel
4 ideas we should do that, and I think we'll lose
5 credibility and diminish our own power if we use
6 somebody else's ideas.

7 COMMISSIONER DUDERSTADT: You have your
8 vote.

9 CHAIRMAN MILLER: I'm just going to say
10 that as a principal.

11 COMMISSIONER ROTHKOPF: Put that -- this
12 is code, but put public good versus private benefit up
13 there, and what I mean by that is achieving a better
14 balance and understanding of the nature of higher
15 education as a public good rather than simply an
16 individual benefit for people to participate in.

17 COMMISSIONER MENDENHALL: well, why don't
18 you make it active? Why don't you put up there, make
19 higher education a public good?

20 COMMISSIONER ROTHKOPF: That's fine, too.

21 COMMISSIONER MENDENHALL: Well, what is
22 the public good? I mean, can we say at the defense of
23 the United States -- that the Defense Department is a
24 public good? What about medicine? Is that a public
25 good?

26 COMMISSIONER ROTHKOPF: Aspects of it are.

1 COMMISSIONER MENDENHALL: What about
2 Hollywood? Is that a public good?

3 COMMISSIONER MENDENHALL: I think not.

4 COMMISSIONER ROTHKOPF: No, seriously, I
5 just wonder --

6 COMMISSIONER STEPHENS: Yeah, we're
7 getting ready to go multi-vote. Do we have any more
8 hot ones?

9 COMMISSIONER ROTHKOPF: Let's vote.

10 COMMISSIONER STEPHENS: We're ready to go
11 to work and vote? Got another one, Art?

12 COMMISSIONER ROTHKOPF: I had another one
13 and I lost it.

14 COMMISSIONER STEPHENS: Lost it, okay.
15 So, here's what we're going to go do. You all have
16 three dots. Everyone's got three dots? Okay, you're
17 going to vote on elements, so all the values are off
18 the board, we've taken -- we have six sheets hanging
19 on the wall over there. Go put your dot with a five
20 on it next to the highest-priority you think we ought
21 to go off and work on, put your three on the second-
22 priority, put your one on the lowest. We're voting on
23 the things we just put up. We already -- the values
24 were already dispositioned. These are the things that
25 says "here's what we ought to go do," okay? You
26 ready to go vote? We took the values off. You've got

1 six sheets, you can put your dot on any of the six
2 elements, any six sheets.

3 (Off the record.)

4 COMMISSIONER STEPHENS: Quiet please. Let
5 me kind-of provide some feedback about where we are on
6 rank priority.

7 Number one on our list with a total of 53
8 votes was to increase access and success for low-
9 income and minority adults. That says that's the
10 number one area you want to go focus our time on.
11 Fifty-three votes.

12 COMMISSIONER DUDERSTADT: Is that minority
13 adults or is that -- I thought those were three
14 separate categories.

15 COMMISSIONER STEPHENS: I don't know the
16 answer to that. We just wrote it out there.

17 Okay, number two was a national commitment
18 for lifelong learning (workforce skills). Twenty-four
19 votes. Okay, so it's clear a huge focus on increasing
20 access for low-income, second is this whole notion
21 about, you know, lifelong learning commitment.

22 Number three was a national commitment to
23 a needs-based financial aid -- I'm sorry, to needs-
24 based education. I'm sorry, national commitment to
25 needs-based financial aid. I'm sorry.

26 So, if you look at the first one, it's

1 about increasing on the lower-income side, the second
2 was on lifelong learning, the third one comes back to
3 this, you know, commitment to needs-based education.

4 Number four was double critically needed
5 scientifically capable people, okay?

6 Number five, and I think there was a tie,
7 increase institutional accountability and transparency
8 for quality, and national investment in learning R&D.

9 Number six, make higher education more
10 affordable primarily by becoming more efficient.

11 Number seven, policies and programs to
12 stimulate innovation and higher education.

13 Number eight, a national commitment for
14 alignment between K-12 and post-secondary education.

15 Okay, and so, what we've just gone through
16 is, you know, for us as a group to say what do we
17 think are the highest priorities for us to go off and
18 work on, and therefore, I would think we try and drive
19 our solutions around those elements, and so, at least,
20 it gives us some sense about where we are in our
21 thought process. I'll leave it to the Chairman to
22 decide how best we proceed, but I think that's
23 valuable input, because I think, at least in my mind,
24 it begins to start driving us around, what are our
25 common themes? We've talked about a set of shared
26 values, we'll update those tonight. We've talked

1 about what we think some key strategies are to achieve
2 those shared values, and with that, Mr. Chairman, my
3 hour is done, but hopefully, it's been helpful.

4 (Applause.)

5 CHAIRMAN MILLER: Congratulations, thank
6 you. Anybody that would volunteer for that duty
7 deserves a medal, and I want to thank the Commission
8 for going through this again. We have an hour -- or,
9 close to that at the end of that at tomorrow's session
10 which is open-ended about how to proceed. We may do
11 something to talk like this a little bit more, but
12 we'll have an open dialogue.

13 We have a busy session and a really
14 important one tomorrow morning to do, and I appreciate
15 the same kind of attention we had today. I'm going to
16 follow Rich Vedder's value system now and adjourn the
17 meeting for the day.

18 (Whereupon, at 6:00 p.m., the meeting was
19 concluded.)

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