

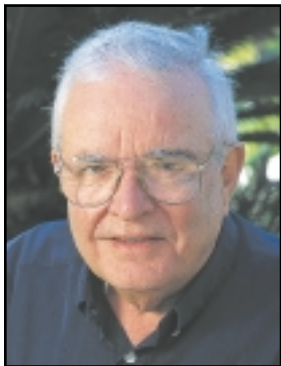
Reactions to the Spellings Commission Report

NATIONAL CROSSTALK asked nine experts who have followed higher education policy closely to comment on the recently released report by the Commission on the Future of Higher Education. Their commentaries are presented here. On Page 8A, we reprint the letter Commission Chairman Charles Miller wrote to Secretary of Education Margaret Spellings at the completion of the commission's work. The full Commission report can be seen at the U.S. Department of Education website: <http://www.ed.gov/about/bdscomm/list/hiedfuture/reports/pre-pub-report.pdf>.

LANDMARK REPORT DESERVES THE ATTENTION OF ANYONE CONCERNED WITH THE FUTURE OF HIGHER EDUCATION

BY ROBERT ATWELL

THE REPORT of the Secretary of Education's Commission on the Future of Higher Education is a document remarkable both for its findings and recommendations and for the fact that it is the product of 18 of the commission's 19 members (only one declined to sign) who are a very diverse group of educators, corporate leaders, a former governor and two higher education association leaders. Secretary of Education Margaret Spellings is to be commended for appointing a diverse group where there was a high risk that agreement would not be possible. And the chairman, Charles Miller, deserves praise for bringing this very talented and accomplished group together around a landmark report which needs the attention of anyone concerned with the future of higher education.



While recognizing its strengths, the commission has identified and documented areas of needed improvement. Clearly the report was heavily influenced by the work of some of higher education's best policy analysts, aided by a very able staff. It is well-written and draws on substantial evidence to support its conclusions and recommendations.

The underlying theme of the report is that while U.S. higher education has been a success in many respects, it has become complacent and needs some serious change to meet the needs of the nation in the competitive global economy of the 21st century. While the report provides much evidence to support this theme and a number of recommendations for change, I was particularly impressed with several points:

- The proportion of those seeking postsecondary education has stalled, and minorities, particularly African Americans and Latinos, lag well behind whites in both access and success.
- The pipeline leading from college entry to graduation is much too leaky, again particularly true for minorities, and is an example of where we lag behind many other nations.
- The failure to align high school graduation and college admission and placement requirements is an illustration of the failure to create a seamless K-16 and beyond system.
- The need-based financial aid system, involving the federal and state governments and institutions, is overly complex, seriously underfunded, and needs a complete overhaul.
- The costs of operating colleges and universities are rising at

unsustainable rates, with few incentives for increasing productivity and plenty of incentives to raise student fees. One of the most dramatic recommendations in this area is the proposal that increases in student fees be tied to increases in family incomes.

- Colleges should be rated on the basis of performance rather than reputation or resources.

What is missing from the report?

First and foremost, the report provides no guide to what will now happen. One would have thought that there would be more guidance on the respective federal and state roles and a clear sense of who should be doing what to carry out the recommendations. That failure can, in the face of inevitable institutional resistance, simply result in yet another fine report gathering dust on the shelves. That would be a shame.

Second, the report says essentially nothing about graduate and professional education and research, as the Association of American Universities and the National Association of State Universities and Land Grant Colleges have correctly pointed out.

There are plenty of problems with graduate education which have directly caused some of the problems of undergraduate education, so this is a serious omission, despite the presence on the panel of two former research university presidents.

Third, the report does not address what some of us refer to as "mission creep," meaning the tendency of regional state universities to want to become national research universities, and for some private colleges to strive to become "research colleges." This phenomenon is quite central to the shortcomings which the commission has identified in its findings.

Fourth, the commission largely dropped any agenda on the need for accreditation reform, except for exhorting the accrediting bodies to be more transparent. An initial consulting report submitted to the commission drew such strong opposition, because it urged what would have been a largely federal accreditation system, that it was apparently easier to drop the idea of any reform of a system that badly needs attention.

Fifth, the commission's call for greater accountability gives no attention to the role of federal or state governments and institutional governing boards addressing accountability. Rather, one is left with the impression that better consumer information will solve the accountability problem.

What are the difficulties faced by the commission agenda?

The cherished diversity of our institutions means that agreement on public policy objectives is blocked by the sometimes conflicting objectives of the different sectors. That is at the heart of the chaotic federal and state student aid programs, and we have

seen how the commission's report, particularly its earlier drafts, provoked strong opposition by the National Association of Independent Colleges and Universities, in contrast to the endorsements by the American Association of State Colleges and Universities and the American Association of Community Colleges.

The fact that federal and state policies on financial aid and other matters affecting colleges and universities are almost never coordinated contributes to confusion and to policy vacuums.

Higher education policy has been driven to a large extent by the providers, the colleges and universities and their associations, rather than by the public interest as reflected in actions of federal and state policymakers. Good public policy is more than the sum total of institutional interests. The decline in the influ-

THE PIPELINE LEADING FROM COLLEGE ENTRY TO GRADUATION IS MUCH TOO LEAKY, AND IS AN EXAMPLE OF WHERE WE LAG BEHIND MANY OTHER NATIONS.

ence of state policy agencies has been quite pronounced in recent years. Within institutions, the balkanization of governance in which disparate faculty interests often prevail over institution-wide governance, is another illustration of the difficulties faced by agents of change.

The higher education associations are much more effective at resisting change than presenting unified policy objectives. "Give us more money but cut back on the regulations" is often the outer limits of their agreement. In the face of their frequent disunity on federal policy, power gravitates to the congressional staffs, many of whom are unversed in the larger issues raised by Secretary Spellings' commission and others.

The endless reauthorizations of the Higher Education Act have sometimes reflected unity as long as every sector gets what it wants in the authorizations. But that unity falls apart when the inevitable appropriation battles begin. The refusal of David Ward, president of the American Council on Education, to sign the commission's report is a reflection of the disunity, since some of the associations with which ACE works most closely supported the report while others did not.

While Ward's political position was obviously difficult, it would have been helpful if he had stated at the time of the vote, or in his subsequent interview with the *Chronicle of Higher Education*, *continued next page*

from preceding page

Education, what he did not like in the commission report, rather than saying that his declination left him free to “contest” some aspects of the report. Contest what? Ward and the Association of Independent Colleges and Universities are concerned about “one size fits all” solutions, but the commission report does not contain any such solution.

In fairness, Ward has elaborated some of his issues more recently, but with little indication of what the associations will now do in responding to the report and to Secretary Spellings’ recent speech.

What should happen now?

First, the secretary of education needs to state what parts of this report will be part of the Bush Administration agenda, as urged by commission member former Governor James Hunt. This is an opportunity for this administration to state its views on the federal role in higher education. According to news reports, the Department of Education is planning a series of open meetings around the country to explore the extent to which portions of the commission recommendations could be addressed administratively.

However, it is certainly the case that most of the sweeping reforms—such as a complete overhaul of student financial aid, including a very substantial increase in Pell grant funding and a reduction in student indebtedness—would require congressional

commission dropped.

Fourth, student aid reform requires the participation of the federal government (both the executive and congressional branches), state policymakers and institutional leaders. Here, the secretary of education should take the lead in convening a representative group of the stakeholders (which should also include the lenders), with a very specific charge to come up with overhaul proposals within a year. History would suggest that this is “mission impossible,” but the commission is right in its analysis and it would be tragic

to miss the opportunity to give reform a try.

As a final note, I suggest that the commission’s report be read in conjunction with Derek Bok’s seminal work, “Our Underachieving Colleges,” which is a thoroughly researched and brilliantly argued treatise on what needs to be done to address the shortcomings of that portion of undergraduate education centered on the liberal arts. ❖

Robert Atwell is former president of the American Council on Education.

THE CHERISHED DIVERSITY OF OUR INSTITUTIONS MEANS THAT AGREEMENT ON PUBLIC POLICY OBJECTIVES IS BLOCKED BY THE SOMETIMES CONFLICTING OBJECTIVES OF THE DIFFERENT SECTORS.

authorizations or appropriations or both.

In her recent speech, Secretary Spellings implied that she will address that issue in next year’s president’s budget.

Second, the foundations should support one or more serious projects designed to identify the causes of the unsustainable cost and student fee increases and suggest ways to address and remedy these causes.

Third, presidentially based associations should develop a plan for restructuring and reforming accreditation, a topic on which they have some possibility of achieving unity, but on which the

SPELLINGS COMMISSION REPORT IS LONG ON PRACTICALITY BUT SHORT ON VISION

BY DAVID W. BRENEMAN

TWO THINGS STAND out after several readings of the August 9 version of the Spellings Commission report: first, the report’s relentless focus on higher education as a marketplace, with students as consumers, colleges and universities as producers, and the economic contribution that postsecondary education and training make to society; second, the strong imprint of the work of the National Center for Public Policy and Higher Education (which also publishes *National CrossTalk*), particularly the biennial *Measuring Up* series, on the approach and recommendations of the report. While I applaud the second point, I have mixed feelings about the first one.



The first point is evident in the report’s preamble and summary, where the commission lists its five goals for American higher education. Paraphrasing, these goals are: 1) A world-class system that contributes to economic prosperity; 2) One that is accessible to all; 3) One that is efficient and affordable; 4) One that provides workplace skills for a changing economy; and 5) One that is adaptable to changing technologies, demographic realities and globalization.

These are all fine goals, but it slights the non-economic, social benefits that we used to associate with higher education, including the cultivation of ethical and aesthetic capabilities, preparation for civic society and democratic government, the development of character and understanding of other cultures. One would never know from reading this report that the humanities continue to be an important part of the collegiate experience, and that a range of societal benefits have traditionally been assumed to be one result of an educated populace. The report is long on practicality but short on vision.

THE REPORT PLACES EMPHASIS ON SERVICE TO CITIZENS RATHER THAN ON STATUS, PRESTIGE AND COMPETITION AMONG INSTITUTIONS.

That being said, on the practical level where the report resides, I find little to fault in its findings and recommendations. The four key areas addressed are access, affordability, quality and accountability, a set of issues similar to the performance categories of the National Center’s *Measuring Up* reports. In both cases, emphasis is placed on service to citizens rather than on status, prestige and competition among institutions. Indeed, one could argue that much of what has passed for state policy toward higher education traditionally has been about institutions—how many, what type, where they are located, how they are supported, and how resources are allocated among them—rather than about students.

Both reports shift our attention away from institutional discussion and debate and toward potential students who seek educational opportunity, but who encounter barriers (such as poor preparation, lack of information about how to navigate the system, and an inability to pay the increasing costs of attendance). I consider this shift of perspective to be particularly wholesome and warranted, as the forces that accentuate institutional concerns are exceedingly strong, and need the counterbalance that these reports provide.

The Findings section of the Spellings Commission report will hardly surprise anyone who has been following the *Measuring Up* reports, published since 2000. The country has invested significantly in improving K–12 education, and while there have been gains in academic preparation, a substantial percentage of young people still do not complete high school, and remedial programs are still needed in most colleges and universities. Furthermore, the participation rate has not increased for more than a decade, and the completion rate remains distressingly low.

Meanwhile (and probably linked causally to the low completion rates), college tuition has continued to increase faster than family income, forcing some students to drop out and others to work more hours than is advisable. By any conceivable measure, affordability of college has declined over recent decades, resulting in the large number of failing grades assigned to the states by *Measuring Up*.

One of the tensions in the policy debates on affordability is the extent to which declining state support has been the culprit, forcing institutions to raise tuition sharply, versus the view that inefficiency is the real culprit, with lax management and an institutional “arms race” for prestige driving costs far higher than they need be. The Spellings Commission report straddles this debate, casting aspersions on all parties. The report does not support any form of federal price control, however, an approach that several members

ONE WOULD NEVER KNOW FROM READING THIS REPORT THAT THE HUMANITIES CONTINUE TO BE AN IMPORTANT PART OF THE COLLEGIATE EXPERIENCE.

of Congress have threatened to implement if they could figure out how to do it. In this instance, the report wisely opts for pragmatism over ideology.

Several of the recommendations are controversial within the higher education community, including the inevitable push to simplify the many programs providing federal student aid (a hearty perennial, never achieved); support for a student unit record system; and encouragement for measures of college-level learning, beyond each student’s grade point average.

In the area of federal student aid, the recommendation to increase Pell grants over five years to 70 percent of the average in-state tuition at public, four-year institutions, is surely something that the higher education community can support, although the cost is likely to prevent it from happening. The awareness that more need-based student aid is required, however, is an encouraging sign, and should give the community something on which to build.

The student unit record system makes extraordinarily good sense, and it pains me to see the idea attacked by some members of the community through the red-herring argument of privacy protection. If we are ever to understand the flow of students among institutions, and how they finance their education, we have to have such data. One hopes that the report will bring this issue to life again, and allow the community to focus on reasonable concerns of costs and implementation, and not on specious arguments designed to upset presidents of private colleges.

The focus on new ways to measure college-level learning is a movement that is upon us, and rather than resist, it is gratifying to see that several of the higher education associations are exploring ways to undertake such efforts. One hopes that such efforts will be coordinated with the accrediting agencies so that a common approach is found.

The Bush administration is far from universally respected in the higher education community, but it would be a serious mistake to dismiss this report for that reason. In my judgment, this is a serious and thoughtful report, not without flaws, but well worth taking seriously. I hope it receives the attention it deserves. ❖

David W. Breneman is dean of the Curry School of Education at the University of Virginia.

COLLABORATION, FROM PRESCHOOL THROUGH GRADUATE SCHOOL, IS CRITICAL TO SUCCESS

BY VIRGINIA B. EDWARDS AND LYNN OLSON

WITH BOTH higher education and K-12 education now under the proverbial microscope, it's an opportune time for the two sectors to work together to find common ground based on their mutual interests. After all, our students will eventually become your students. And tomorrow's elementary and secondary school teachers are attending higher education institutions today.



That's why we agree with the Commission on the Future of Higher Education's conclusion: "The nation can no longer afford to have K-12 and higher education systems operate independently of one another."

The costs of the current fragmentation are clear, particularly from young people's point of view. Today's high school students overwhelmingly report that they aspire to a postsecondary education. Yet, only seven in ten graduate from high school within four years. And of high school graduates entering four-year colleges, only about six in ten earn a bachelor's degree within six years.

The figures are far worse for poor, minority and first-generation college students, and for those enrolled in two-year institutions.

The United States can no longer afford such a leaky pipeline. As *Measuring Up 2006* reported, younger Americans are falling behind young people of other nations in college enrollment and completion rates. While the United States is still a world leader in the proportion of Americans ages 35 to 64 with a college degree, it ranks seventh on this measure for 25- to 34-year-olds.

At *Education Week*, we are committed to better understanding and strengthening the connections between K-12 education and the larger constellation of systems and institutions that both shape elementary and secondary education and that are shaped by it.

That's why we are in the midst of "re-imagining" *Quality Counts*, our flagship annual report card on public education in the 50 states, to focus more attention on the transition points between K-12 education and the systems that come before and after it in young people's lives: namely, early childhood education, postsecondary education and training, teacher preparation, and the needs

of the business sector for economic and workforce development.

If you think about it, state education policy has largely been thought of in three separate buckets: early childhood education, elementary and secondary education, and postsecondary education and training. It's only the young people themselves who experience the system as a continuous—or discontinuous—whole.

In essence, *Quality Counts* spent its first decade helping to shed light into the black box of K-12 education policy. For ten years now, we have devoted ourselves to better understanding the states' role within the confines of the K-12 system. And we have charted the relationship between gains in student achievement at the state level and the pursuit of a standards-based education agenda.

Going forward, we've set our sights on developing a more holistic view: one that also looks at issues of school readiness, college and workforce readiness, affordability and access to higher education. And we're interested in measuring U.S. education policy in the context of international comparisons.

As the Spellings Commission argued, the United States must commit to an "unprecedented effort" to expand college access and success by, among other strategies, ensuring that students are better prepared for college and removing non-academic barriers to college attendance and completion.

The report urges higher education to assume responsibility for working with the K-12 system to ensure that teachers are adequately trained, that curricula are aligned, and that entrance standards are clear. It encourages early assessment initiatives that determine whether students are on track for college, and it calls for the creation of clearer pathways so that students can move seamlessly toward their educational and career aspirations without encountering unnecessary barriers. It also recommends support for initiatives that help states hold both high schools and colleges accountable for teaching their students and teaching them well.

The good news is that interest in these cross-sector issues is growing. School-readiness standards are a major topic in early childhood education, as are cost-benefit analyses to determine how investments in the early years pay off. Debates over strategies for high school reform have increasingly referenced the issues of college- and workforce-readiness. Efforts to address the tension between school preparation and the high need for remedial courses once students get to college are taking hold. And the business

community is ensuring that the focus on national competitiveness explicitly links the quality of K-12 and postsecondary education to the continued viability of the nation's workforce in a world that has gone global and technological.

States are getting the message, too. In the past decade, 30 states have created what are often called "P-16" or "P-20" councils or initiatives designed to increase collaboration across the various levels of education, from preschool through graduate school. Unfortunately, many of these initiatives currently lack the authority or the teeth to make much of a difference.

At the same time—and this is good news, too—the appetite for education data, research and information is strong and growing. Policymakers, practitioners and the public are hungry for benchmarks and assessments of how well their education investments and efforts are paying off.

Moving forward, *Quality Counts* is committed to tracking such bridge-spanning efforts and their results. By collecting data across now-fragmented sectors of the "education-and-workforce-develop-

AS THE SPELLINGS COMMISSION ARGUED, THE UNITED STATES MUST COMMIT TO AN "UNPRECEDENTED EFFORT" TO EXPAND COLLEGE ACCESS AND SUCCESS.

ment" enterprise, and by providing a clear framework for these indicators, the policy debate can be changed in ways that will ultimately benefit states and our nation's young people.

For the past decade, the K-12 education system has benefited from being under the policy microscope: subject to increasing pressure for higher expectations, accountability and results. Increasingly, higher education is under the same sorts of pressure. It would be unfortunate if some of the lessons learned from the K-12 experience were not applied as America rethinks its higher education policies and practices. Perhaps we have something to learn from each other. ♦

Virginia B. Edwards is the editor of *Education Week* and *Quality Counts*, an annual report card that has tracked state policy indicators in K-12 education for the past decade. Lynn Olson is the newspaper's managing editor for special projects and the project editor of *Quality Counts*.

2.7 CHEERS FOR MILLER COMMISSION

BY CHESTER E. FINN JR.

CHARLES MILLER is one of my heroes. He's unafraid to say that the American higher education emperor, though plenty rich, is clad in tattered finery with far too many rips, moth holes, stains and patches.



The commission that Margaret Spellings asked him to chair wasn't quite so gutsy. Its final report, though clear, strong and constructive, pulls a few punches, blunts a few criticisms and is judiciously vague on how exactly to proceed on such sensitive matters as institutional costs and productivity, financial aid and the assessment of student learning.

That's true of almost all commissions, to be sure, and Miller surely prodded his to go further than most by making public an exceptionally eloquent first draft that his colleagues then had to

soften—in public view. The final product doesn't rival "A Nation at Risk," whose clarion call has inspired more than two decades of serious reform in K-12 education, but it is an important piece of work that sets an agenda worth following.

Whether anyone will follow it, however, depends mainly on leadership from government, business or the higher education industry itself.

The latter is least likely. What passes for leadership in U.S. higher education today is complacent, defensive and greedy, more interested in protecting current turf, revenues, enrollments and reputations than in spearheading important changes that might boost quality, efficiency and American competitiveness.

Government leadership means that key politicians must embrace this cause and make it their own. (In K-12 education, state governors were key.) It is too early to be sure, but so far there has not exactly been a clamor of interest in Miller's report from the statehouses, Capitol Hill, the White House or even the Department of Education. Perhaps that will change when he formally presents it to Secretary Spellings, but one early sign is wor-

THE COMMISSION'S FINAL REPORT, THOUGH CLEAR, STRONG AND CONSTRUCTIVE, PULLS A FEW PUNCHES, BLUNTS A FEW CRITICISMS AND IS JUDICIOUSLY VAGUE.

rying: the Education Department's announcement that it will hold "hearings" around the country on higher education policy during the autumn and might appoint stakeholder-heavy "committees" to ponder these topics.

Decades of dreary experience prove that public hearings of this sort mainly attract "stakeholders," not reformers, and the one thing they can agree on is that things are pretty darn swell the way they are today, though more money would surely be welcome. Spellings will likely find that such hearings and committees make it even harder for her to embrace the Miller

continued next page

from preceding page

Commission's most important findings and recommendations, should she be so inclined. (They are old friends from Texas, of course.)

Perhaps there is hope for the "business community," in light of its mounting anxiety about American competitiveness in world markets and our weakening prowess in key fields such as science, engineering and math. But no one in particular has stepped up to the higher education reform components of this predicament; most individual tycoons are faithful trustees of their favorite colleges; the big organizations that matter (Business Roundtable, Chamber of Commerce, National Association of Manufacturers, etc.) are still obsessed with K-12 reform; and change-minded education philanthropies (e.g. Gates, Broad, Carnegie and Hewlett) rarely look beyond high school.

Miller will do his own considerable best to flog the commission's findings and recommendations, and he enjoys the credibility, the stamina and the wherewithal to do plenty. But not even Archimedes, solo, could move the entire world, despite his quest for a suitable fulcrum.

The commission's great overarching finding, akin to 1983's warning that the nation was at risk due to a "rising tide of mediocrity" in its schools, is that America is losing its global pre-eminence in higher education as its institutions grow "mature," smug and self-absorbed, while other countries gain on us and surpass us on key indicators. "History is littered with examples of industries," the report correctly notes, "that, at their peril, failed to respond to—or even to notice—changes in the world around them, from railroads to steel manufacturers." U.S. high-

er education institutions, the commissioners warn, risk "falling into the same trap, seeing their market share substantially reduced and their services increasingly characterized by obsolescence."

This glum alarm—echoed by Jim Hunt and Garrey Carruthers in the National Center's excellent *Measuring Up 2006* report

THE COMMISSION'S GREAT OVERARCHING FINDING IS THAT AMERICA IS LOSING ITS GLOBAL PRE-EMINENCE IN HIGHER EDUCATION AS ITS INSTITUTIONS GROW "MATURE," SMUG AND SELF-ABSORBED.

card—is followed by seven general findings and a half dozen broad recommendations, amplified in 41 specifics.

All deserve serious attention, but to my eye the most important of them address institutional productivity, quality, competitiveness, transparency and accountability. These six recommendations are especially powerful:

- Improve institutional cost management through the development of new performance benchmarks designed to measure and improve productivity and efficiency. Also, better measures of costs should be provided to enable consumers and policymakers to see institutional results in the areas of academic quality, productivity and efficiency.
- Policymakers and accrediting organizations should work to eliminate regulatory and accreditation barriers to new models in

higher education that will increase supply and drive costs down.

- The Department of Education should collect data and provide information in a common format so that interested parties can create a searchable, consumer-friendly database that provides access to institutional performance and aggregate student outcomes.

- The results of student learning assessments, including value-added measurements that indicate how much students' skills have improved over time, should be made available to students and reported in the aggregate publicly.

- Accreditation agencies should make performance outcomes the core of their assessment, as a priority over inputs or processes.

- A high school degree should signify that a student is college- and/or work-ready.

There's plenty more, all of it needed, much of it urgent. The risk, of course, is that the very scale of this reform challenge is so daunting, and its moving parts so numerous and intertwined, that few will have the vision and tenacity to tackle it at all.

If we don't, however, trouble lies ahead. It won't be a sudden collapse. It will be gradual erosion, diminution, enervation, leading slowly but inexorably to exhaustion and mediocrity for the U.S. higher education enterprise and peril for the nation itself.

Miller knows that well. Most of his fellow commissioners agree with most of it. But what about their audience? ❖

Chester E. Finn Jr. is president of the Thomas B. Fordham Foundation and a senior fellow at the Hoover Institution, Stanford University.

THE SPELLINGS COMMISSION REPORT LACKS VISION, SCOPE AND SPECIFICITY

BY ARTHUR LEVINE

BLUE RIBBON commission reports on the condition of higher education have been a periodic phenomenon in the decades since World War II. Three stand out for promoting national debate and influencing public policy—the 1971 Newman Commission report, the 1967–80 Carnegie Commission/Council reports, and the 1947 Truman Commission report. The Spellings Commission report compares unfavorably with these. It lacks the vision of the Newman Commission report, the scope of the Carnegie reports, and the specificity of the Truman Commission report.



VISION

The Spellings Commission succeeds best at identifying six major challenges facing higher education—the need to expand access, enhance affordability, cut costs, restructure existing financial aid programs, raise the quality of teaching and learning, and increase accountability. These are very real problems, but the report is shortsighted in the remedies it proposes.

In 1828, the faculty of Yale, faced with government criticism and a nation undergoing an economic transformation, much like that described by the Spellings Commission today, wrote their own report. It asked how much Yale needed to change—a lot or a little? The authors said this was the wrong question. The right question was what is the purpose of a college? The Spellings Commission did not answer this question, which is neither esoteric, nor merely philosophical today.

The world of postsecondary education is undergoing a revolution. There are now not-for-profit and for-profit universities, corporate universities, online universities and international universities. College instruction is being offered by museums,

symphony orchestras and publishing companies. The largest university in the country is traded on NASDAQ. The options available to students are multiplying. Given these realities, what should constitute America's system of higher education? What types of institutions are included?

There are brick, click, and brick-and-click universities. What mix of these things does the country need?

We have the technological capacity today to eliminate the traditional textbook, to offer interactive virtual classrooms, and to provide instruction at any time and any place, 24 hours a day. At the same time, the Sunbelt is experiencing a tidal wave of student growth and lacks the campuses to accommodate it. The new majority of college students—older than 22, part-time, and working—generally come to campus just to attend classes. Under these circumstances, to what extent do we still need the physical plant called a college? How many more campuses should the country build? Should they look like traditional colleges? How much higher education should be delivered via new technologies?

Given the extraordinary diversity of alternatives available to students in terms of the length, subject matters, pedagogies and methods of assessment, does the system of credits based on hours of instruction continue to make sense? Will it in the future? Would a transcript of competencies be educationally superior?

The Spellings Commission didn't pose these questions beyond saying, "We want postsecondary institutions to adapt to a world altered by technology, changing demographics, and globalization, in which the higher-education landscape includes new providers and new paradigms, from for-profit universities to distance learning." It didn't offer a useful vision of higher education's purpose, which would provide a foundation for raising these questions about higher education's future.

Instead, the commission called for "a world-class higher education system that creates new knowledge, contributes to economic prosperity and global competitiveness, and empowers citizens." That system would also solve the challenges of cost

reduction, access and quality instruction while teaching workplace skills. The report did not explain what "world class" means, what knowledge universities should create, how universities should contribute to economic prosperity, how they should empower citizens, or what workplace skills should be taught in higher education. It did not discuss whether all institutions should do the same things and, if not, how they should be differentiated. Should differentiation continue to be based on selectivity and degrees awarded?

In sum, the Spellings Commission did not offer a vision of what higher education needs to become to meet the profound changes facing the nation.

SCOPE

The six problems identified by the commission, though important, are not discrete; they are interconnected. The primary

THE CHALLENGES FACING HIGHER EDUCATION ARE MUCH GREATER THAN THE SIX IDENTIFIED BY THE SPELLINGS COMMISSION.

challenge before higher education is to make the transition from a national industrial society to an international, information economy. The six challenges are a product of the transition. Access has become even more urgent in an information economy in which decent jobs require the highest levels of skills and knowledge in history, and the nation needs a better educated population to compete in a global marketplace and to sustain a democratic society. This is exacerbated because America has changed demographically; the location of our institutions of higher education does not match our population's movements and growth.

Increasing costs also reflect the change. Among other factors driving up expenses are new technologies, the rising salaries of knowledge workers (professors and technology staff, among

others), redesigning libraries and other facilities for the information age, rebuilding the campus infrastructure for a high technology era, and providing services to an increasingly diverse student body.

Affordability is an issue owing to the rising cost of college, but also because improving access increasingly involves low-income students. The current financial aid system, with its inefficiencies, inconsistencies and inadequate funding, needs to be rethought in order to advance access and affordability.

The call to improve student learning flows directly from changes in the economy and technology. Industrial economies focus on establishing uniformity in process—four years on campus, four courses a term, instruction for three hours a week for fifteen weeks a semester. The emphasis is on teaching and time spent in the classroom. In contrast, information economies are concerned with outcomes—what students learn, not what they are taught. This shift is turning all that goes on in the classroom on its head. Plus, new technologies promise to overthrow traditional methods of teaching and learning.

Accountability is simply the institutional result of the shift to a focus on outcomes. Colleges and universities are being asked for the first time in history to demonstrate what it is they are

achieving in terms of student performance, graduation rates and a host of other indicators.

The point is this: The challenges facing higher education are much greater than the six identified by the Spellings Commission.

SPECIFICITY

The commission's recommendations lack the specificity to give them meaning and power. For instance, they call for "America's colleges and universities [to] embrace a culture of continuous innovation and quality improvement," and to increase "the quality of learning outcomes and the economic value of a college education." They propose that the nation commit itself "to an unprecedented effort to expand higher education access and success by improving student preparation and persistence, addressing non-academic barriers and providing significant increases in aid to low-income students."

Without greater specificity, it is not clear what needs to occur and how it will be accomplished. For example, the report recommends "every student in the nation should have an opportunity to pursue postsecondary education." But it doesn't translate this into real numbers of students who should be

expected to attend higher education, as the Truman Commission did. It doesn't explain: What number of institutions do we need to accomplish this; what types of institutions do we need; who should pay; how much should they pay; who is responsible for making this happen (institutions, states, federal government, or other); what specifically do they need to do, by what date, and how much it will cost?

Without these specifics, the Spellings Commission's recommendations are aspirations, good thoughts. With specifics, the commission could be offering the nation a much needed plan.

CONCLUSION

The Spellings Commission should be commended for its year of study, its identification of six important challenges facing higher education, and its ability to reach a consensus. The commission can provide an even greater service to the country if it builds on this body of work by enlarging its vision, expanding its scope, and offering the nation a plan to guide the future. ❖

Arthur Levine is president of the Woodrow Wilson National Fellowship Foundation.

WHAT CAN GOVERNMENTS DO TO IMPROVE ACCESS AND SUCCESS IN HIGHER EDUCATION?

BY BRIDGET TERRY LONG

AFTER MONTHS of testimony and debate, we now have the final report from the Commission on the Future of Higher Education. Many responses to the report have focused on its call for the assessment of learning, accountability measures, and increased cost control by institutions. There certainly are important questions about what institutions could do to more effectively and efficiently serve their students. I, however, choose to use this space to focus on what the government could do to improve access and success in higher education.



When approaching the issue of possible government action, we often simplify the barriers to attaining a postsecondary degree into two categories: financial and academic. However, there is growing acknowledgement that a lack of information, as well as misinformation, are major impediments as well. Research documents that high school students have very little understanding of college prices, financial aid opportunities, the academic requirements for college, and admissions procedures.

Focusing more specifically on financial aid, the commission concluded that some students "don't enter college because of inadequate information and rising costs, combined with a confusing financial aid system." The commission emphasized that "our financial aid system is confusing, complex, inefficient, [and] duplicative." Whether because of the complexity of the system or the lack of information about the availability of aid, the American Council on Education estimates that 850,000 students who would have been eligible for financial aid in 2000 did not complete the necessary forms to receive such aid.

As we approach the thirty-fifth anniversary of the creation of the Pell grant next year, we must ask ourselves why awareness of government aid programs is so low and why so few students understand how to access them. It is not good enough merely to create a program—the implementation, design and marketing of the program must acknowledge the realities of the target population and seek to minimize the confusion and time needed to access the benefit.

The commission's report calls "for consolidating programs, streamlining processes, and replacing the Free Application for

Federal Student Aid (FAFSA) with a much shorter and simpler application." This is likely a step in the right direction, but how much further could we go? What concrete steps could the federal government take?

First consider concrete ways to simplify the process. According to a 1999 study by Thomas Kane, family income and family size account for nearly two-thirds of the variance in the Expected Family Contribution (EFC) as determined by the Federal need-analysis system. Today, these two factors would probably explain even more of the variation, because housing assets are no longer included in the calculation. Of course there are tradeoffs with this approach: The more information we collect, the better we are able to approximate the "true" ability to pay. While there might be an efficiency loss from simplifying the application and criteria, we already know that we are suffering losses due to the high transaction costs (i.e., information and time) associated with the current FAFSA.

Not only is the process complex, but it is redundant. Even the lowest-income students, who have already established their eligibility for other federal means-tested programs like welfare, food stamps, and free or reduced-price lunches, must complete the arduous process. Clearly these students would be eligible for federal student aid. Is there a way to capitalize on the information the government already has? Using information from other federal offices, the Department of Education could identify thousands of low-income students who would be eligible for the Pell grant.

The idea for a notification program develops from a successful federal financial aid policy that existed several decades ago. The Social Security Student Benefit program gave 18- to 22-year-old children of Social Security beneficiaries support while they were enrolled full-time in college. At its peak, it provided grants totaling \$3.3 billion annually to one out of every ten college students. Eligible students were notified by mail, and the process of accepting the benefit was simple. The program was so successful that when it was eliminated in 1982, Susan Dynarski estimated students who formerly would have been eligible for the benefit were five percentage points less likely to attend college.

The fact is that the government is able to identify families by income, and could use this information more effectively to overcome some of the informational barriers. A slightly different reform would be to issue annual aid eligibility reports similar to what we receive from the Social Security administration.

Sending a signal to students early about the possibility of financial support for college could positively impact decisions about academic preparation. In essence, information could help address both financial and academic barriers. This reform would also address issues with the late timing of the FAFSA, another problem noted by the commission.

It is also important to note that we are in a larger world, and multiple countries are trying to tackle similar issues. What could we learn from ongoing international experiments with financial aid, such as income-contingent loans in Australia?

Financial aid is not a cure-all to the problems facing students as they try to access a higher education. More money is needed to help students overcome the significant and substantial monetary barriers to a college degree. But what else could the government do? Are the programs that currently exist functioning properly to meet their goals?

This is certainly not a time for complacency. Although much of the population has been convinced to focus on issues of access in terms of moral responsibility and the ideals of equal opportunity and meritocracy, we are at a moment in time when these issues have become an economic imperative. Technological change and global competition have changed the labor market to one that is dependent on all citizens having higher-level skills. The functioning of the nation depends not on a tal-

NOTIFYING STUDENTS EARLY ABOUT THE POSSIBILITY OF FINANCIAL SUPPORT FOR COLLEGE COULD POSITIVELY IMPACT DECISIONS ABOUT ACADEMIC PREPARATION.

ented tenth, third, or half, but instead the engagement of individuals from all backgrounds and segments of society.

Those who are not convinced by these arguments should consider the tax implications of having significant numbers shut out of higher education. Giving up on people who are 18 or 25 or 30 years old translates into decades of government dependency.

So the question I have as we see the reactions to the commission's report is, What will be the government's response? Problems have been identified. It is now time for action. ❖

Bridget Terry Long is an assistant professor at the Harvard University Graduate School of Education.

IMPORTANT RECOMMENDATIONS FOR HIGHER EDUCATION

BY CHARLES B. REED

THE REPORT of the Commission on the Future of Higher Education recognizes two significant realities: one, that American higher education must face many important issues in order to maintain global economic competitiveness; and two, that the value of higher education has never been greater in our society. For these reasons, American colleges and universities must learn to adapt accordingly.



The commission's initial draft directed a great deal of criticism at higher education, and many critics of the recommendations have focused on that rough draft as the foundation for their dissatisfaction with the commission's final results. However, it was always my hope that the commission would come forward with some "big ideas" to challenge higher education on a lot of entrenched issues. Fortunately, the recommendations address many of these important concerns and challenges.

ACCESS

First, the recommendations recognize that a new national commitment must be made to expanding access and student success, especially for underrepresented student populations. In fact, I believe this is one of the biggest challenges facing higher education today. The numbers of first-generation and underrepresented minority students are growing too quickly for us to keep up with them through our traditional and somewhat passive recruitment methods. The commission is correct in saying that

THE COMMISSION IS CORRECT IN SAYING THAT WE NEED A COMMITMENT OF STATE AND POSSIBLY FEDERAL INCENTIVES TO PROVIDE SEAMLESS EDUCATIONAL PROGRAMS BETWEEN HIGH SCHOOLS, COLLEGES AND UNIVERSITIES.

we need a commitment of state and possibly federal incentives to provide seamless educational programs between high schools, colleges and universities. But universities themselves have to be willing to step outside their traditional comfort zones as well.

By way of example, the California State University's Early Assessment Program (an 11th grade test tied to the California

Standards Test that gives students an early signal about college readiness) has become a model for pre-college preparation and outreach. Cal State has also made waves with its "Super Sunday" college information sessions at African American churches in northern and southern California, reaching more than 30,000 participants. These efforts demonstrate that going beyond the traditional "the door is open if you want to come in" attitude is an important step toward reaching students who might not otherwise get on the right track for college.

FINANCIAL AID

Second, the recommendations advocate for a complete reform of the current financial aid system. The potential value of these recommendations is that future financial aid funding could be distributed based more on student needs than institutional needs. For example, published "net prices" (advocated as a tool for better consumer information in another recommendation), could be used instead of inflated "sticker prices" in financial aid programs to provide more resources to needy students attending lower-cost institutions. This would force higher-cost institutions to rethink their reliance on inflated "sticker pricing," thus slowing the tuition and fee growth that is causing much public concern.

Beyond cost issues, one of the most important improvements in today's complex financial aid system would be the simplification of the Free Application for Federal Student Aid (FAFSA). Time after time, the complexity of this form becomes a barrier for those students who are most in need of assistance. The commission rightly suggests that the application process can be substantially streamlined.

LEARNING OUTCOMES

Next, as the report points out, there are significant shortcomings in the current accreditation system at a time when there is growing public demand for increased accountability and transparency.

Accreditation could be improved if each university were required to concretely assess its own value-added contributions. One important effort on this front is the Collegiate Learning Assessment (CLA), a national effort to assess the quality of undergraduate education by directly measuring student learning outcomes. The Council for Aid to Education (on whose board I serve)

has created this performance-based assessment model to assess student ability and learning in critical thinking, writing and synthesizing skills. The measures are focused on skills that students will need as they graduate and enter the work force, and will provide clear signals to students at much earlier points in their education. Any new measurement system that we undertake needs

this kind of clarity and purpose-driven focus.

ACCOUNTABILITY

The commission report also advocates a robust culture of transparency and accountability throughout higher education that would make widespread comparative information available. This would enhance institutional accountability as well as provide important decision-making information that does not exist for the general public today.

This directive is raising serious concerns among the accrediting bodies, private institutions, and many leading higher education organizations. However, if policy makers actually knew and compared average per-student cost increases over the last two decades they would discover drastic differences and increasing disparities in efficiencies between universities. These kinds of comparisons would help the public to have a better understanding of the value these institutions add through education.

INNOVATION

On the subject of innovation, the report rightly calls attention to the most glaring flaws of the traditional academic program—the fact that the physical plant is underused, and that the courses are frequently targeted only to full-time, site-based students. In fact, many institutions are still working on essentially the same schedule they used a century ago, with mid-week, mid-day, classroom-based instruction. How ironic that many universities study the science and art of innovation but still have not found a way to integrate it into their operations.

At a time when we are facing more competition than ever from for-profit institutions and abroad, it is time for us to learn from our colleagues who have found new ways to reach people and perform jobs more efficiently. Our curriculum also needs to reflect more of what is going on in the outside world, including team-building, interdisciplinary collaborations, and skilled communications.

ENDNOTE: SUPPORT FROM PUBLIC OFFICIALS

Finally, there are a number of important recommendations for state and federal policymakers to consider, including more widespread use of educational technologies, relief from regulatory burdens, and a continued commitment to the support of public higher education. Even though universities may be on board for any number of changes, we cannot make these changes alone. We will need the strongest possible commitment from the legislators and policymakers who have the power to create an environment where students will flourish. It is my hope that these recommendations will not go unheeded. ♦

Charles B. Reed is chancellor of the 23-campus California State University system.

THE SPELLINGS COMMISSION GOT IT RIGHT

BY ALFREDO G. DE LOS SANTOS JR.

AFTER READING the report of the Commission on the Future of Higher Education appointed in 2005 by U.S. Secretary of Education Margaret Spellings, I must confess that I agree completely with the commission's findings. As well, I have no disagreement with the commission's goals. To some degree, I have been surprised at the reaction to the commission's recommendations. But, I guess I should not be. Given the magnificent diversity and variety of the institutions of postsecondary education in this country, I think it would be impossible for any group to recommend changes



that all of us would accept.

In this space, I want to do three things: to give my opinion of some of the findings of the commission; to comment on a few of the commission's recommendations; and to share my ideas concerning some of the reactions.

MY VIEW OF THE COMMISSION'S FINDINGS

Perhaps the most important point the commission made is that the United States is falling behind when compared with other countries. The latest national report card, *Measuring Up 2006*, by the National Center for Public Policy and Higher Education (which also publishes *National CrossTalk*), clearly shows that the postsecondary educational systems in a number of countries are performing better than we are. We rank eighth in the percent of adults ages 25 to 34 who have earned at least an associate's degree. We rank fourth in the percent of adults 18 to 24 who are enrolled in college. And we rank sixteenth in the total

number of college degrees or certificates completed per 100 students enrolled.

The second point on which I want to focus is the issue of affordability. As shown in *Measuring Up*, a total of 43 states earned an F in this category. Only two states, California and Utah, earned a C. In effect, postsecondary education is not accessible for a growing number of families; the percentage of family income needed for one family member to enroll is too high. Even community colleges have priced themselves out of the market for families with incomes in the two lowest quintiles, the group that perhaps needs the most help and support.

This, then, leads me to the issue of financial aid. The commission pointed out, correctly, that the financial aid system is so complex that students even have problems completing the Free Application for Federal Student Aid. Another important point is that the "buying power" of Pell grants has declined; the grant now covers a smaller percentage of students' costs than it did ten

or fifteen years ago. The third point is that the focus of financial aid has made a dramatic shift in recent years from need-based to other criteria. In some states, the financial aid programs provide support to students from middle-class and upper-middle-class families, who really do not need such assistance. The students from the lowest quintiles in terms of family income are not supported at all.

One of the consequences of these and other flaws and weaknesses in our educational system is that our institutions of higher education have not served well many segments of our society, including families with limited resources and minority groups, including African Americans, Native Americans, Hispanics and other groups. Recently, some policymakers have noted that the number of males who succeed in postsecondary education is declining, especially males from the groups noted above.

At the same time, the largest proportion of the growth in U.S. population is projected to be among these minority groups. Among the working-age population, the proportion of minorities is projected to increase from 18 percent in 1980 to 37 percent in 2020.

If we do not change our institutions of higher education to be more responsive to the needs of these groups, the number of prepared workers, in all probability, will decrease. This will likely result in a decline in overall personal income per capita, and might lead to a downward spiral that will have broader impacts.

RECOMMENDATIONS: I AGREE, BUT...

I strongly support the commission's first recommendations that every "student in the nation should have the opportunity to pursue postsecondary education" and that the "U.S. commit to an unprecedented effort to expand higher education access and success... providing significant increases in aid to low-income students."

As well, I think the commission was right on target when it recommended that "the entire financial aid system be restructured and new incentives put in place to improve the measurement and management of costs and institutional productivity."

GIVEN THE MAGNIFICENT DIVERSITY AND VARIETY OF THE INSTITUTIONS OF POSTSECONDARY EDUCATION IN THIS COUNTRY, NO GROUP COULD RECOMMEND CHANGES THAT ALL OF US WOULD ACCEPT.

I agree with the commission in calling for the federal government to increase the average Pell grant to cover 70 percent of the average in-state tuition at public four-year colleges. The whole financial application process must be simplified; it is too complex now. And, perhaps most importantly, both federal and state policymakers must increase need-based financial aid.

The issues of measurement and management are more complex. As the saying goes, the devil is in the details. My sense is that, historically, we in postsecondary education have been reluctant to accept mandates and pressures from the outside to "measure" what we do. As well, we have defended the increases in tuition and fees; and even though some of our leaders (such as Larry Faulkner, former president at the University of Texas at Austin and now president of the Houston Endowment) have called for us to "index" our increases to increases in average income, with few exceptions, we continue to increase the cost to the family and student. Unless and until the state and federal governments, and, in the case of community colleges, local taxpayers, provide more resources, my sense is that the increases will continue, to our detriment.

A few words about accreditation. I have been involved in accreditation for more than four decades. In the last ten years, I have been lucky to have served in two organizations that "overlook" the accreditors: the Council for Higher Education Accreditation (CHEA) and the National Advisory Committee on Institutional Quality and Integrity, which reports to the U.S. Secretary of Education. My sense is that through cooperation among the accreditors and these two organizations, there has been significant progress in making accreditation more trans-

parent and in helping institutions to focus on excellence, output instead of input, efficiency and accountability.

In the view of some, this has not been enough. But the work continues. For example, CHEA, in preparation for the tenth anniversary of its founding, has appointed a committee that will review the status of accreditation and will, by 2007, recommend ways to improve it.

COMMENTS ABOUT CRITICISMS OF THE REPORT

In this final part, I want to comment about some of the criticisms I have read about the commission's report. A few have noted that the commission's recommendations do not provide a "road map" for postsecondary education, as an institution, to take action. But I wonder what would have happened if the commission had provided a detailed agenda, with timelines, outputs, etc. I can just imagine the adverse reaction.

At some level, I can understand the concerns expressed about the commission's call for a unit record system to follow students throughout their educational experiences. At another level, as a person who has spent most of his career in community colleges, I believe that we need such a system. I understand the issue of privacy; unless we can guarantee students' privacy, we need to move slowly on this. My sense is that we have no data to help us understand the many paths our students take. As a consequence, we do not know enough to make informed decisions on a lot of important issues.

The commission's report is another reminder that while we have a wonderful system of postsecondary education, our institutions have not served well large segments of our communities. As well, we know that unless we make changes, we will continue to lose ground in the global marketplace. In effect, the commission has given us a great opportunity to move now, to change the way we conduct our business. We need to change, the sooner the better. ❖

Alfredo G. de los Santos Jr. is Research Professor of the Hispanic Research Center at Arizona State University.

SOME SPELLINGS COMMISSION RECOMMENDATIONS ARE EXTREMELY PROBLEMATIC

BY DAVID WARREN



FIRST, I want to commend the members of the Commission on the Future of Higher Education for their spirited debate of the issues, especially throughout the various drafts of their report, and for their consideration of public comment and outside views as the drafts evolved. Education Secretary Margaret Spellings' official response to the report marked a step toward engaging the higher education community as full participants in addressing the challenges facing our colleges and universities.

There are many elements in the final report that the National Association of Independent Colleges and Universities (NAICU) membership can support and even applaud. These include the commission's emphasis on increasing access; the recognition of the vital role of higher education in contributing to the public good and to individual enhancement; the need for accountability (although we would emphasize accountability that is appropriate to the many stakeholders in higher education); the importance of increasing need-based student financial aid; a heightened awareness for additional resources in science, technology, engineering and mathematics; the call for deregulation of higher education at the federal and state level; the importance of an education which will produce globally literate graduates; and the need to address important policies aimed at international students who wish to study in the United States.

STUDENT UNIT RECORD DATA

While saluting the Commission's recommendations in these areas, there are others that are extremely problematic. The first of these has to do with student unit record data. NAICU and its members share a fundamental belief that student and family privacy must be protected. For 30 years, federal privacy laws have allowed schools to release student-specific confidential data only with the written approval of the student. We strongly support those laws. We object to the use of student-level data on the basis of four key concerns: privacy, security, the law and existing data.

- **Privacy.** Put simply, we do not believe that the price of enrolling in college should be permanent entry into a federal registry. That has been the driving force behind NAICU's opposition to a federal unit record data system. A centralized national database tracking college students, their academic progress, financial aid information, enrollment, and performance in their careers is profoundly counter to the democratic underpinnings of higher education and American society. We recognize that some people accept the personal privacy compromises of data systems that would collect student information throughout all of one's schooling and beyond. However, NAICU members find this idea chilling.

Although the commission report calls for "non-identifiable" data, this is inconsistent with the commission's desire to collect data on transfer students, and to track labor-force outcomes. Finding effective ways to track the progress of individuals, without having their identities known in some originating database, seems to us to be impossible.

- **Security.** We also fear that the existence of such a massive registry will prove irresistible to future demands for ancillary

uses of the data, and for additions to the data for non-educational purposes. The recent report of students' and families' personal information from their financial aid applications being shared by the U.S. Department of Education with the FBI is an example of how data collected for one purpose can be used for another purpose. How far such sharing potentially can go is limited only by one's imagination.

Assurances are given that modern technology and electronic security practices will keep this most sensitive personal information safe. Yet, with increasing frequency, there are news stories of serious breaches in the data levees. No one can say that individual student information collected would be absolutely secure.

- **The law.** In July 2005, the U.S. House Committee on Education and the Workforce unanimously adopted an amendment to the Higher Education Act (HEA) reauthorization bill that would prohibit the Department of Education from using HEA funds for a student unit record data system. This language was not challenged when the full House considered the measure in March of this year.

Overwhelmingly, the law reflects American public opinion. In a poll conducted by Ipsos Public Affairs in July, and sponsored by NAICU, Americans agreed by a two-to-one margin that enough data are already collected at the college and university level, and that reporting individual data is a breach of privacy that could result in abuses of personal information.

- **Existing data.** A wealth of aggregate data are available through the Integrated Postsecondary Education Data System, and these data have helped guide any number of poli-

continued next page

from preceding page

cy questions. In addition, there are several longitudinal studies conducted by the National Center for Education Statistics—such as the National Education Longitudinal Study and the Baccalaureate and Beyond Longitudinal Study—that capture individual student information for research into student demographic characteristics, program persistence and completion, and post-baccalaureate education and employment.

These studies, based on statistically valid samples of students, have been useful in addressing policy questions and do not compromise individual student privacy. NAICU believes that these studies are capable of providing sufficient data in response to the frequently cited public policy need for information on transfer students and graduation rates.

FEDERAL STUDENT FINANCIAL AID PROGRAMS

NAICU's second area of concern is the commission's recommendation to dismantle the current array of federal student financial aid programs, and replace it with something as yet undefined. We certainly concur with the commission that the Pell grant program needs to be substantially increased. However those funds should not come from a dismantling of the current programs. Each program serves a vital and proven purpose, and

THE PRICE OF ENROLLING IN COLLEGE SHOULD NOT BE PERMANENT ENTRY INTO A FEDERAL REGISTRY.

eliminating any will only serve to diminish support for low-income students overall. Indeed, the commission's recommendations would have a net negative impact on student aid for the neediest students.

Despite mentioning the themes of access and affordability several times

in her official response to the commission's report, Secretary Spellings did not endorse the commission's specific call for a substantial increase in the maximum Pell grant. In her prepared remarks, she made a reference to need-based aid, but only mentioned a generic commitment to Pell grants in response to an audience question. The Pell grant is the linchpin to ensuring that higher education remains open to the neediest students. The first priority of the administration and Congress should be to increase funding of the maximum Pell grant for the first time in five years.

OUTCOME MEASURES

While the commission has steered away from specific language about a single test to measure students' performance, we are concerned that the commission's rationale for outcomes information gives the impression that it is possible to compare one institution with all others. A drive for such comparisons will inevitably lead to the attempt to adopt a single test. Much more relevant would be a system that is voluntary among peer institutions, in which these specific institutions could identify and evaluate several instruments useful in comparisons among themselves. Independent colleges and universities have been on the forefront of better student assessment for many years. Each year, more institutions are adopting one or more measures to best evaluate learning outcomes. However, the rich variety of American institutions of higher education cannot be captured by a single measure.

NEXT STEPS

The commission report is one among many in this season of reports, including "Rising Above the Gathering Storm," by the National Academies of Science, and "Mortgaging our Future," by the Advisory Committee on Student Financial Assistance. These reports already have resulted in conversations among institutions and associations about how best to meet the century's new challenges. The Washington-based presidential associations are engaging with their members to address challenges in undergraduate education.

Whether the commission's recommendations are the most effective for the nation deserves debate, and it remains to be seen how closely actions implemented by institutions will follow the commission's direction. However, America's colleges and universities have met many challenges in the past. Bolstered by truly thoughtful and informed public policies and private action, I am confident we will continue to do so in the future. ❖

David Warren is president of the National Association of Independent Colleges and Universities.

A Personal Letter

Commission Chairman Charles Miller addresses Secretary of Education Margaret Spellings

After serving on a national commission for a year, the chairman vents his frustration about the dysfunctional nature of higher education finance, and the lack of accountability among private and elite colleges and universities



September 19, 2006

Dear Secretary:

At the conclusion of your assignment to me as Chair of your Commission on The Future of Higher Education, I want to share some strictly personal observations with you.

The commission was asked to consider the future of higher education. In my opinion, it seems likely that higher education will undergo major transformation in coming decades from the same forces which are changing the world in other economic sectors and at other institutions. As noted in the Conclusion section of the Spellings Commission report, "The future of our country's colleges and universities is threatened by global competitive pressures, powerful technological developments, restraints on public finance and serious structural limitations that cry out for reform."

No matter how effective the U.S. system of higher education has been in the past, it seems especially vulnerable in its current state. A combination of advances in communications and information technologies have created exceptional opportunities for productivity improvements in other economic sectors such as financial services, manufacturing and retail trade, even beyond changes resulting from outsourcing and globalization. The gains in U.S. economic productivity in the last decade have been exceptional by any historical or global standard. However, this has not been the case in higher education.

Of particular serious concern to me is the dysfunctional nature of higher education finance. In addition to the lack of transparency regarding pricing, which severely limits the price signals found in a market-based system, there is a lack of the incentives necessary to affect institutional behavior so as to reward innovation and improvement in productivity. Financial systems of higher education instead focus on, and reward, increasing revenues—a top-line structure with no real bottom line.

In order to provide incentives for productive behavior or to reward certain results, it is necessary to have an information system which provides results and identifies behavior related to those results. Currently, higher education is replete with opaque, complex information systems which are not informative for governing boards, policymakers and the public. These information systems also provide limited capacity for institutional managers to find and adopt best practices or to make resource allocation decisions. Accountability measurements in a regime of full transparency will be needed to address this shortcoming in higher education.

Effective accountability systems will be needed to develop the most productive financial structure for higher education. We cannot address critical issues of *affordability* effectively without dealing with this effectively. Today, the dysfunctional financial system combined with the lack of transparent systems of accountability leave higher education in a dangerous position.

There are some specific signs of stress.

After pointing out the contributions of our top universities, Albert Carnesale, chancellor of the University of California at Los Angeles and a former provost of Harvard College, wrote: "But growing disparities between the financial resources of private universities and those of public universities are creating inequities that could have damaging repercussions—not only for economic advancement and social mobility in our own country, but also for the ability of America to compete internationally."

More pointedly, from "Universities and Business: Partnering for the Knowledge Society," a book by Luc E. Weber and James J. Duderstadt: "The highly competitive nature of higher education in America, where universities compete for the best faculty, the best students, resources from public and private sources, athletic supremacy and reputation, has created an environment that demands excellence. However, it has also created an intensely Darwinian, 'winner-take-all' ecosystem in which the strongest and wealthiest institutions have become predators, raiding the best faculty and students of the less generously supported and more constrained public universities and manipulating federal research and financial policies to sustain a system in which the rich get richer and the poor get devoured."

Even further, in his book with the illuminating title, "Our Underachieving Colleges," Derek Bok, president emeritus and current interim president of Harvard University, wrote: "However much professors care about their teaching, nothing forces them or their academic leaders to go beyond normal conscientiousness in fulfilling their classroom duties. There is no compelling necessity to re-examine familiar forms of instruction and experiment with new pedagogic methods in an effort to help their students accomplish more. The fundamental reason for the lack of such pressure is the difficulty of judging how successful colleges are in helping their students to learn and develop. No published reports exist that reveal how much undergraduates have progressed intellectually, let alone how such progress compares across colleges." And, "As long as professors do not palpably neglect their students, colleges that do very little to increase the effectiveness of teaching and learning will not suffer a penalty, since the consequences of such inaction will normally be invisible. No one will know whether they are falling significantly behind rival institutions in developing the mind and character of their students, still less whether colleges as a whole are doing less than they might in these respects."

What particularly concerns me is the special resistance to accountability exhibited by a large set of "private" colleges and universities. There is resistance to measuring student learning. There is also strong resistance to financial and other accountability systems inherent in their opposition to a unit record system. What elevates this concern is the fact that so-called "private" colleges and universities receive a large amount of support from the public, that is, from the taxpayer.

These institutions receive, on average, an estimated 25 percent of revenues from the federal government in the form of financial aid and research funding. In addition, they receive a significant level of state and local support, and they benefit from tax policies regarding earnings and contributions. In financial terms, it is difficult to classify most of these institutions as truly private, raising serious issues about transparency, accountability and public trust. These are issues that need to be addressed by policymakers who appropriate and spend public funds, as well as by those institutions who receive and benefit from public funds.

Another particular concern I have relates to our "elite" colleges and universities. Notably, our great research universities are looked upon as world-class and treated with respect. When they talk, we listen; and when they ask, we usually give. However, research expenditures are a major "cost-driver" in higher education and need the same intense examination and skeptical analysis other financial issues require, especially since most of these are public funds. I think there is ample evidence that our great universities have much to account for—and have great intellectual and financial resources to contribute—yet often come to the public arena without taking full responsibility for their own imperfections, while at the same time demanding more of the scarce public resources.

Tying these elements together is the theme that there is a need to examine higher education in financial terms with full accountability for sources of funds: Which institutions get them and why, and how productively those funds are utilized for the benefit to the public providers of those funds. This should mean an examination of the whole system, with no special rights for any recipient of public funds, and no free pass for any type of institution, no exception for those ranking high in the "top tier," or no exception for those bearing the arbitrary and often inaccurate label as a "private" institution.

Thank you for giving me the opportunity to contribute to this national dialogue.

Sincerely,
Charles Miller