



State Higher Education Executive Officers

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May 22, 2003

Senator Judd Gregg
United States Senate
393 Russell Senate Office Building
Washington, DC 20510

Senator Edward Kennedy
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Senators Gregg and Kennedy:

Thank you for your invitation to comment as the Congress approaches the reauthorization of the Higher Education Act of 1965. We are writing as representatives of SHEEO, the national association of state higher education executive officers.

The members of SHEEO are the CEOs of statewide coordinating or governing boards for postsecondary education. The mission of the association is to help the states develop and sustain excellent systems of higher education, and our principal focus is on higher education public policy. From that perspective, we understand and share the challenges you face in balancing competing priorities and allocating limited resources among them. Along with you, we are dedicated to achieving the goals specified in your letter of April 15, 2003.

We will focus our comments on the seven issues you highlight and on a few dimensions of the Higher Education Act which are especially vital to those issues. Our priorities are best understood in the context of our primary goal, what we believe is required to meet that goal, and where the nation now stands with respect to these issues.

Background Comments

What is our goal?

We believe that increasing the rate of successful participation in postsecondary education is among the highest priorities of the American people. We need to achieve this in order to sustain and improve economic competitiveness and the quality of life for our citizens and communities.

Toward that end, we believe it is reasonable and attainable, with no compromise in quality, to double the rate of successful participation in higher education achieved in the 1960s, when a high school education was sufficient to find a well-paying manufacturing job. This would mean that half or more of the younger generation will successfully complete the equivalent of a baccalaureate degree, and that nearly all youth, and most working adults will participate successfully in some postsecondary education.

Competition in the global economy requires that we pursue this goal: we have been persistently losing low-skilled jobs to international competitors with lower labor costs. This trend could accelerate, but it will not turn around. Our future prosperity depends on our ability to train and maintain a highly skilled workforce.

Our young people are planning on these levels of postsecondary achievement. More than 75% of high school juniors say they expect to get a four-year degree, and virtually all of them plan on some postsecondary education. They know that the jobs to support a middle-class life style require them to go beyond high school.

Finally, a large number of working adults will need to enhance their knowledge and skills to hold a job and to sustain the viability of the businesses that employ them. The skills of our workforce in 2020 will depend both on the education of today's youth and on that of working adults who now are under 45 years of age. Employers make it clear that many who are now 25 to 45 years old need to upgrade their knowledge and skills.

What will it take to reach our goal?

To attain this goal, students must aspire to greater educational achievement and work to attain it, academic preparation for postsecondary education must be strengthened, postsecondary education must be affordable, and an adequate number of high quality educational opportunities must be available to meet student enrollment demand.

Where do we stand?

We no longer lead the world in postsecondary education attainment. In Canada, Ireland, and Japan, a larger percentage of 25-34 year olds hold the equivalent of a baccalaureate degree, and seven other developed countries are close to the U.S. and gaining fast. These countries have been working to become more competitive, and the growth of participation in the U.S. has slipped in the past few years.

Aspiration. The aspiration of our youth for educational achievement generally is high, but many who have the capacity to succeed do not enroll and do not prepare for college work. They may believe that college is unaffordable to them, partly because they overestimate the cost and partly because we have not provided reliable assurance of financial assistance. Many in this group have not been sufficiently enabled and encouraged to take and to succeed in college preparatory courses.

Academic preparation. Inadequate academic preparation is the most difficult to overcome of all the barriers to access and success in postsecondary education. Far too many young people are not completing high school, and of those who do, far too many are completing high school without taking the courses and acquiring the skills needed for postsecondary success.

Postsecondary education has important responsibilities for improving academic preparation. We need to be clear about standards and we need to enhance the capacity of teachers to help students reach those standards. And until most students are better prepared, postsecondary education will need to give under-prepared students (and inadequately educated working adults) the instruction they need to reach their goals.

Affordability. The affordability of higher education is a preoccupation of parents and students everywhere in the United States. Tuition and fees have been growing faster than inflation for some time, and public tuitions have grown especially dramatically in the past two years. Because the stakes are high, we understand the concern, and even the anger about these cost increases.

Yet, higher education cannot enroll more students, nor can it enhance or sustain quality without financial resources. Several factors have driven increases in tuition exceeding inflation. 1) Most significantly, states generally have not been able to sustain past levels of support for postsecondary education, nor have they been able to finance higher enrollments. As a consequence, more of the total burden in public institutions has shifted to students, to their families, and to financial aid programs. 2) Spending to increase institutional student aid, to enhance quality, to update programs, and to keep pace with technology also has pushed tuition and fees higher. And 3) the salaries of well-educated people in the general economy have grown steadily faster than inflation in the past two decades. Colleges and universities compete for talent with the private sector, and salaries and wages account for roughly 70% of higher education expenditures.

Although these factors help explain higher education cost increases, they do not relieve us from our responsibility to use scarce resources efficiently and effectively. In the past two years especially, states and institutions have struggled to preserve access and quality with substantially fewer dollars. Further productivity gains can be, and will be a source of revenue for expanding participation and enhancing quality, but they will almost certainly be insufficient to educate all who should benefit from postsecondary education without degrading quality.

As a society, we cannot obtain widespread, successful participation in high quality postsecondary education unless postsecondary leaders do everything possible to increase student achievement and institutional productivity. Nor can we reach this goal unless we are willing to pay a fair price. That price includes increased private and public funding of institutions and increased financial assistance for students who cannot pay the costs. The states and the federal government must step up to this challenge.

Availability. Affordability without availability is an empty promise. The widespread availability of postsecondary education opportunities has been a singular achievement in the United States. In times of scarce resources, there is a temptation to preserve quality by increasing tuition, withholding the financial aid justified by higher tuition, and restricting admissions. As the nation begins to make real progress in improving the quality of K-12 education, employing this strategy to improve the efficiency of postsecondary education would run exactly counter to the national interest.

Instead, the national interest requires us to maintain and increase access to postsecondary education, to improve the quality of instruction, and to increase the rate at which students successfully complete postsecondary programs.

Responses to Issues Targeted by the Committee Chairman and Ranking Member

Access and Affordability

Without question, the federal grants and loans which help make postsecondary education affordable to low and moderate income students are the most important elements of the Higher Education Act. The highest federal priorities should be the largest possible increase in the Pell Grant maximum and adequate authorizations and appropriations for grants and loans to enable financially needy students to enroll in higher education, focus on their studies, and succeed.

States contribute to access and affordability by appropriating funds directly to colleges and universities and by providing state financial assistance to students attending public and independent institutions. Because tuition and fees are an increasingly large share of higher education revenues, and because federal grants and loans, at best, rarely meet all financial need, stronger state student aid programs are urgently necessary. We therefore urge the continuation and strengthening of the federal Leveraging Educational Assistance Partnership (LEAP) and Special LEAP Programs.

Ensuring Accountability

Because higher education is a fiercely competitive enterprise, the issue of accountability in higher education is different in important respects from that of most government funded purposes and from elementary and secondary education. Colleges and universities compete in a largely open market for students and faculty. Most students and faculty have a choice of what institution to attend -- or not to attend at all. A large measure of accountability in higher education is achieved through the operation of the competitive market.

While the role of market competition is probably the most powerful force, the federal and state governments play critical, complementary roles in designing and using accountability systems 1) to ensure minimal standards of quality; 2) to provide data to inform consumers; and 3) to measure and improve performance. The dimensions of the different federal and the state roles will be developed below.

The states and various accrediting agencies currently determine whether institutions meet minimal standards as a means of consumer protection. While state regulation and regional accreditation can be fairly criticized, the existing systems generally are effective in assuring compliance with minimal standards, and they are improving. We recommend no changes in the use of regional accreditation for assuring eligibility for federal Title IV programs.

Developing accountability systems to measure and report performance accurately is a challenging task. Using such information to improve performance is more difficult still.

The states have accumulated a substantial amount of experience in developing and using accountability systems to improve performance in higher education. A detailed view of accountability reports for twenty-nine states can be obtained from the SHEEO website at: <http://www.sheeo.org/account/acct-reports.htm>. Let us share what we have learned from our experience.

First, good data are critically important. The data collected by the federal government's National Center for Educational Statistics (NCES) is the foundation for the state accountability systems. While states have supplemented NCES data in order to obtain a deeper understanding of issues related to improving performance, NCES data and studies provide both core resources for state level policy analysis and an invaluable means for interstate comparisons. We understand that NCES is proposing to improve the data collected about the retention of first time freshmen and to broaden its National Postsecondary Student Aid Survey to include a sample large enough to draw valid inferences about student aid in each state; we believe these will be useful extensions of the federal role in this area.

Second, the most useful accountability efforts focus on a small number of key issues. For example, the *Measuring Up* series, developed by the National Center for Public Policy and Higher Education, provides state level comparisons of student preparation, participation, and degree completion, as well as comparisons of affordability and the benefits states receive from higher education. *Measuring Up* has been especially helpful because, by focusing on the state level, it avoids finger-pointing and holds all who could have a role in improving performance accountable for doing so. A number of states have used *Measuring Up* data and categories as the framework for their own, more detailed accountability systems.

Third, the federal government makes its strongest contributions by framing and articulating broad objectives, supporting data collection, and monitoring progress on national goals. (NAEP, the National Assessment of Educational Progress, is a particularly notable contribution of this kind, but there have been many.) The states have, with varying degrees of effectiveness, built on federal contributions and supplemented them by articulating specific state goals and by collecting additional information to inform policy and to encourage and guide improvement.

The states, because they provide direct institutional support, have a greater capacity to use accountability information to improve performance. But even at the state level, it is tricky to improve performance across a range of institutions and situations through formulaic incentives or sanctions, the tools often proposed for improving performance. When such systems are designed for groups of

institutions, they often fail to challenge some to improve enough, impose unrealistic expectations on others, or fail to target the most important issues in a particular situation. And they tend to generate a lot of debate and costly work on bureaucratic rules and definitions, while having a limited impact on teaching, learning, and educational practice where it matters most.

Ultimately, performance improvements must occur at the level of the individual student. Without creating a bureaucratic behemoth (which would be neither effective, nor efficient), the federal and state governments can get to that level only indirectly.

The states are experimenting with a variety of approaches, but we do not have results that point to one “best” approach for improving educational performance. These principles of good practice seem to be characteristic of more successful efforts, however, and they can inform both state and federal efforts:

1. Focus on a limited number of important goals, tailored to individual situations.
2. Measure performance on goals well, and monitor results over time.
3. Use successive levels of responsibility to get close to the local situation; improving performance from a distance or by formula doesn’t work very well.
4. Encourage, do not dampen local creativity and initiative.
5. Be serious, without raising the stakes too high.
6. Do not over-invest in a single approach.
7. Keep experimenting and measuring results.
8. Take action to build capacity, to reward success, and to make changes when performance does not improve.

Teacher Training and Academic Preparation

It is absolutely essential to improve the effectiveness of teaching and academic preparation, both in K-12 and in postsecondary education. We cannot expect to double authentic postsecondary attainment without improving how we teach and what students learn.

Title II of the last reauthorization of the Higher Education Act was not entirely satisfactory from any perspective, but we believe it made important contributions. It made a strong statement about the importance of enhancing the quality of the teaching profession. It helped stimulate and focus attention at the state level on important issues in teacher preparation, without being overly prescriptive about what the states should do and how they should do it. In response, many states and SHEEO have created important initiatives to improve the quality of teacher preparation and professional development.¹ It is important to continue working on this issue; it will take many years to achieve our goals.

¹ SHEEO has recently published “Student Success: Effective State P-16 Systems” which, among other topics, outlines what is required to assure high quality teaching and proper academic preparation for postsecondary work. Copies will be provided to the Committee Staff.

We recommend that Title II be reauthorized and restructured to be aligned with the teacher quality initiatives of No Child Left Behind. The accountability provisions in Title II should be refined, and we would welcome an opportunity to work with the Congress in developing improved mechanisms reflecting the principles outlined above. In addition, we recommend that discretionary grant programs be authorized to help states and institutions that prepare teachers develop policies and practices that will yield more effective and capable (not simply certified or formally qualified) teachers. Such policies and practices, in our view, will include both rigorous academic preparation and more extensive and well-supervised clinical training for prospective teachers.

The grant programs recommended should support, on a competitive basis:

- 1) State leadership grants (involving all entities and agencies with a role in state policies that prepare and certify teachers) to foster the development and full implementation of state policies that strengthen teacher preparation and professional development.
- 2) Local partnership grants (involving local schools and institutions of higher education) designed to develop strategies for increasing the depth, duration, and quality of supervised clinical training for students preparing for teaching and for new teachers entering the profession.

The work of improving teacher quality is far from completed in any state, even though some have made much more progress than others. States with previous support to address these issues should be permitted to compete for additional grant assistance. No state has finished what it needs to do in this area.

Educational Opportunity – GEAR-UP and TRIO

GEAR UP and TRIO are important federal efforts focused on students who are traditionally underrepresented in postsecondary education. These programs are essential for reaching our national goals for participation and success in postsecondary education, and they should be continued and expanded.

We want especially to comment on GEAR UP, which was created in the most recent reauthorization. GEAR UP has stimulated and supported many important statewide initiatives to improve early outreach to prospective students, encouraging them to plan for and prepare for postsecondary education. In many states, it helped generate innovative and productive initiatives and new, more systemic thinking about preparing students for college. Its effectiveness is amplified because it engages community and business organizations, works to assist individual students, and simultaneously improves the quality of teaching and learning in middle schools and high schools.

As a young program, GEAR UP's potential is far from fully realized. The reauthorization of GEAR UP should take into account the lessons of these early years, and the continued program should be designed in a way that will preserve, build on, and extend its achievements. We believe its potential will be best realized if it is maintained as a separate program, as an integral part of the Higher

Education Act. And we believe that states receiving support in the first authorization of GEAR UP should be permitted to compete for an additional grant designed to solidify, deepen, and fully institutionalize GEAR UP activities in a state.

The Workforce Investment Act and the Carl D. Perkins Vocational and Technical Education Act – Serving the Adult Learner

We encourage the Congress to consider the important postsecondary education issues also involved in the Workforce Investment Act and the Carl D. Perkins Vocational and Technical Education Act.

Many adults now in the workforce or seeking to improve their status in the workforce must participate in postsecondary education in order to realize their potential. The Workforce Investment Act and the Perkins Vocational and Technical Education Act can reach their goals more effectively by adopting common reporting requirements and by establishing procedures and expectations tailored to the typical situation of adult learners, as well as that of high school students.

Historically, these acts have not been designed to serve students attending postsecondary institutions, and as a result, the programs have missed important opportunities to serve students and their employers. We endorse the recommendations of the American Association of Community Colleges on these issues.

Simplifying Student Assistance Process

We applaud the Committee's interest in simplifying the student financial assistance process. Other associations and institutional representatives are better positioned to provide detailed counsel on student assistance process, so we will offer only a general comment.

All students will benefit from streamlined processes, but it seems especially important and feasible to simplify the process of applying for assistance for those students and working families with very low incomes.

Thank you again for requesting comment on the Higher Education Act. We would be pleased to respond to questions or to elaborate on these comments if that would be helpful.

Sincerely,

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