

**H.R. 4283, THE COLLEGE AC-  
CESS AND OPPORTUNITY ACT:  
INCREASING THE FOCUS ON  
GRADUATION RATES AND STU-  
DENT OUTCOMES**

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**HEARING**

BEFORE THE

COMMITTEE ON EDUCATION  
AND THE WORKFORCE  
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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**H.R. 4283, THE COLLEGE ACCESS AND OPPORTUNITY ACT: INCREASING THE FOCUS ON GRADUATION RATES AND STUDENT OUTCOMES**

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**Tuesday, July 13, 2004**

**U.S. House of Representatives**

**Committee on Education and the Workforce**

**Washington, DC**

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The Committee met, pursuant to notice, at 10:35 a.m., in room 2175, Rayburn House Office Building, Hon. John Boehner (Chairman of the Committee) presiding.

Present: Representatives Boehner, McKeon, Castle, Johnson, DeMint, Osborne, Wilson, Cole, Kline, Carter, Blackburn, Gingery, Miller, Kildeer, Andrews, Woolsey, McCarthy, Tierney, Kind, Wu, Holt, Davis, Grijalva, and Bishop.

Staff Present: Kevin Frank, Professional Staff Member; Alexa Marrero, Press Secretary; Greg Maurer, Coalitions Director of Workforce Policy; Catharine Meyer, Legislative Assistant; Alison Ream, Professional Staff Member; Deborah L. Samantar, Committee Clerk; Kathleen Smith, Professional Staff Member; Ellynnne Bannon, Minority Legislative Associate/Education; Tom Kiley, Minority Press Secretary; Ricardo Martinez, Minority Legislative Associate/Education; Alex Nock, Minority Legislative Associate/Education; and Joe Novotny, Minority Legislative Assistant/Education.

Chairman BOEHNER. Good morning. The Committee on Education and the Workforce will come to order.

We are holding this hearing today to hear testimony on "H.R. 4283, the College Access and Opportunity Act: Increasing the Focus on Graduation Rates and Student Outcomes."

Under Committee rules, opening statements are limited to the Chairman and Ranking Member. Therefore, if other Members have statements, they will be included in the hearing record. And with that, I ask unanimous consent for the hearing record to remain open for 14 days to allow for member statements, and other extraneous material referenced during today's hearing, to be submitted for the official hearing record.

Without objection, so ordered.

**STATEMENT OF HON. JOHN A. BOEHNER, CHAIRMAN,  
COMMITTEE ON EDUCATION AND THE WORKFORCE**

I want to thank all of you for coming today, especially our witnesses, to this hearing on the College Access and Opportunity Act.

Students, parents, and taxpayers today are making a huge annual investment in America's colleges and universities. Today we're going to look at what they're getting in return. And specifically, at student graduation rates and outcomes.

In May, the Education Trust released an alarming report that revealed a major graduation gap at America's colleges and universities. The report showed a surprisingly large number of students who enter higher education and fail to get a degree. And worse, a disproportionate share of these students are low-income and minority students. We will be hearing from the Education Trust, today, on their findings.

[The report may be found at <http://www2.edtrust.org/NR/rdonlyres/11B4283F-104E-4511-B0CA-1D3023231157/0/highered.pdf>]

This is a particularly important discussion at a critical time for American education. As I and Chairman McKeon and others have said on many occasions, this is not a routine reauthorization of the Higher Education Act.

Earlier this year, we had Federal Reserve Board Chairman, Alan Greenspan, here before the Committee, and he told us American workers need to be better trained and better educated, if our country is going to remain competitive in the years ahead. He urged us to focus on quality and constant improvement in education.

He also reminded us that spending increases don't guarantee improvements in academic achievement. And while he didn't get into specifics about legislation, his point was clear: the current system isn't getting the job done—and the reauthorization of the Higher Education Act must involve real change.

Chairman Greenspan's comments were not considered controversial at the time he made them; in fact, I don't believe that they were even reported in some of the prominent education publications.

But we now see the challenges inherent in his advice. Many prominent college lobbying organizations have been quick to demand billions of dollars in increased spending from the Federal Government, but are reluctant to address questions about the quality of education being provided for students and families in return.

The graduation gap, unfortunately, is just the latest in a number of troubling signs that America's colleges and universities aren't accountable enough to the students that they serve.

With tuition continuing to climb, America's higher education consumers are beginning to demand greater transparency in everything from the cost of a higher education to what they can expect to get out of that education.

Representative McKeon and I introduced the College Access & Opportunity Act to help empower higher education consumers with the information they need to make their own best decisions about a college or university.

Institutions are already reporting volumes of information to the Department of Education, the problem is that parents and students

aren't able to use this information. And what we propose is to take that information and put it into the hands of consumers.

Now, there are no dramatic new reporting requirements in this legislation—frankly, nearly all the new reporting requirements that I included would apply only to institutions that repeatedly engage in excessive tuition hikes that hurt students and their parents. We recognize that when government gets more involved, costs go up—not down. Some lobbying organizations have described our bill a little differently. They oppose the bill, claiming it would expand government involvement. The same organizations are demanding additional billions of dollars in Federal funding. And what they really mean is they want billions more in taxpayer money, but don't want to be accountable for how it is used.

Now, the graduation gap exposed in the Education Trust report is a reminder of the dangers of this approach. One of our goals for this hearing is to ask why the graduation gap exists between minority students and their peers. And to ask what steps the higher education community should reasonably be expected to take to close that gap.

Mr. McKeon and I recently introduced a bill that takes some modest steps that reflect our thinking on the matter. Some of our witnesses have thoughts on this question as well. One of them, Dr. Nault, represents Miami University, a school that is in my own Congressional District, that has done a better job than most in closing the graduation gap.

Some have expressed concern about the Education Trust report, but used it to argue for increased Federal and state spending.

A report released just last week by the State Higher Education Executive Officers casts doubt on this argument. The report found higher education enrollments nearly doubled from 1970 to 2003, and during that period, state funding kept pace with both enrollment growth and the Consumer Price Index.

States have faced economic ups and downs and those 33 years, but they have continued to fund higher education, even as the number of students have increased dramatically. So we look forward to hearing more about that report today.

I am a strong supporter of American higher education. Our system is the envy of the world. But if we want to keep it that way, we can't turn a blind eye to the problems when they appear. And the graduation gap is a very real problem, and he deserves our attention and the attention of America's colleges and universities. And this reauthorization is not about writing a bigger check while perpetuating the status quo. This reauthorization is an opportunity to expand college access for millions of low- and middle-income students.

I want to thank the witnesses for joining us today, and I am hopeful this hearing will give renewed attention to the very real problem of the higher education graduation gap. At a time when more students than ever are choosing to go to college, millions of adults are interested in going back to school, and changing technology requires workers to train and re-train to compete in a changing marketplace, we should be focused more than ever on ensuring that students who pursue a higher education get something meaningful in return.

Addressing the graduation gap and helping students and parents gain access to valuable information will help us reach our shared goal of strengthening America's higher education system.

[The prepared statement of Chairman Boehner follows:]

**Statement of Hon. John Boehner, Chairman, Education & the Workforce Committee**

Students, parents, and taxpayers today are making a huge annual investment in America's colleges and universities. Today we're going to look at what they're getting in return—specifically, at student graduation rates and outcomes.

In May, the Education Trust released an alarming report that revealed a major graduation gap at America's colleges and universities. The report showed a surprisingly large number of students who enter higher education fail to get a degree—and worse, a disproportionate share of these students are low-income and minority students. We'll be hearing from the Education Trust today on their findings.

This is a particularly important discussion, at a critical time for American education. As I and Chairman McKeon and others have said on many occasions, this is not a routine reauthorization of the Higher Education Act.

Earlier this year, Federal Reserve Board Chairman Alan Greenspan appeared before this committee, and told us American workers need to be better trained and better educated if our country is going to remain competitive in the years ahead. He urged us to focus on quality and constant improvement in education. He reminded us that spending increases don't guarantee improvements in academic achievement. And while he didn't get into specifics about legislation, his point was clear: the current system isn't getting the job done—and the reauthorization of the Higher Education Act must involve real change.

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The graduation gap is, unfortunately, just the latest in a number of troubling signs that America's colleges and universities aren't accountable enough to the students they serve. With tuition continuing to climb, America's higher education consumers are beginning to demand greater transparency in everything from the cost of a higher education to what they can expect to get out of that education.

Rep. McKeon and I introduced the College Access & Opportunity Act to help empower higher education consumers with the information they need to make their own best decisions about a college or university. Institutions are already reporting volumes of information to the Department of Education. The problem is that parents and students aren't able to use this information. What we propose is to take that information and put it into the hands of consumers. There are no dramatic new reporting requirements in this legislation—and nearly all the new requirements that are included would apply only to institutions that repeatedly engage in excessive tuition hikes that hurt parents and students. We recognize that when government gets more involved, costs go up—not down.

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I'm a strong supporter of American higher education. Our system is the envy of the world. But if we want to keep it that way, we can't turn a blind eye to its problems when they appear. The graduation gap is a very real problem, and it deserves our attention and the attention of America's colleges and universities. This reauthorization is not about writing a bigger check while perpetuating the status quo. This reauthorization is an opportunity to expand college access for millions of low and middle-income students.

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I yield now to Mr. Miller for his opening statement.

Chairman BOEHNER. And with that, I am pleased to yield to my friend and colleague, the gentleman from California, Mr. Miller.

I am sorry, Mr. Kildee.

Mr. KILDEE. All right.

Chairman BOEHNER. And I thank the gentleman for yielding.

**STATEMENT OF HON. DALE E. KILDEE, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF MICHIGAN**

Mr. KILDEE. Good morning.

I join Chairman Boehner in welcoming our witnesses to today's hearing. I know that both of us are looking forward to your testimony.

Our focus on graduation rates today is very important and very critical. Simply getting into college doesn't guarantee success in college. In addition to access our institutions of higher education should also be focused on persistence.

College graduation rates overall should be higher, especially for low-income and minority students. Institutions of higher education need to challenge themselves to improve these rates. Without continued improvement in graduation rates, individual students and the public as a whole, are being short changed.

Clearly we do have room for improvement on this issue. Unfortunately, the topic of today's hearing has little to do with H.R. 4283, the latest bill on higher education. H.R. 4283 does little to actually improve graduation rates at colleges and universities. In fact, I fear that it would harm our efforts to increase the number of students who graduate college within 6 years.

Even though we track graduation rates by a 6-year term, I remember taking my youngest son to campus, and the president said, "You know, only about 25 percent of our students graduate in the traditional 4 years." I turned to my son and said, "You're going to be one of those 25 percent." He was.

[Laughter.]

Mr. KILDEE. H.R. 4283 jeopardizes improvements to graduation rates by repealing the current low fixed rate consolidation loan

benefit for students, which I think is very, very important. We should not repeal that. It also caps the Pell Grant maximum program. It redistributes campus-based aid, essentially taking from one needy student to give to another.

Overall, this legislation simply makes college more expensive. I hope that we can find a bipartisan solution to give schools the tools they need to improve graduation rates in the future.

As the hearings in this matter and in higher education in general continue through the remainder of this Congress and next year, I look forward to working with my colleagues to craft answers to these important questions.

As I close, I do want to comment on the recent report by the State Higher Education Executive Officers. This report claims that state appropriations for higher education have not decreased over the past 30 years.

The report is being used to claim that decreases in state appropriations are not to blame for increased tuition. First, I can tell you that from experience as a state legislator, and on the Appropriations Committee there, and having worked with my home state of Michigan for 28 years here in Congress, that the level of state appropriations for higher education really hasn't kept pace. I would be very interested to find how you reach your conclusions.

In addition, tuition continues to make up a greater share of the budget of Michigan's public universities than in the 1970's. Tuition prices tend to go up when state appropriations go down, but tuition doesn't go down when state appropriations go back up. It's almost like gasoline prices and the price of a barrel of oil. Every time state appropriations go down, tuition goes up and stays up.

Michigan support for higher education has risen and fallen with the economic tide of the State. In good times appropriation levels have remained constant or risen. However, in bad times, there have been sharp cuts including extremely tough mid-year cuts.

I look forward to the hearing testimony on this report. I fear its conclusions can and have been misinterpreted, and I would like to hear your comments.

Mr. Chairman, I look forward to our discussion today and yield back the balance of my time.

Chairman BOEHNER. It's my pleasure to introduce our four witnesses today. Our first witness today will be Dr. Richard Nault.

And Dr. Nault currently serves as Vice President of Student Affairs for Miami University, which, as I mentioned, is located in my district in Oxford, Ohio. In this capacity, Dr. Nault helps to develop programs that enhance the intellectual and personal development of Miami students.

Dr. Nault has also served as Associate Vice President for Student Affairs, and as Director for the University of Miami's Honors program.

And then we will hear from Dr. Paul Lingenfelter. Dr. Lingenfelter has served in his capacity as the Executive Director for State Higher Education Executive Officers since the year 2000.

Previously, Dr. Lingenfelter served on the staff of the John D. and Catherine T. MacArthur Foundation, where in 1996 he was appointed Vice President to establish and lead the MacArthur Foundation Program on Human and Community Development.

We will hear then from Mr. Ross Wiener, who has certainly been here before. He currently serves as the principal partner and Policy Director at the Education Trust, a national organization focused on eliminating achievement gaps in public education.

Prior to his position at the Education Trust, Mr. Wiener worked in the Civil Rights Division at the U.S. Department of Justice, where he twice received the Civil Rights Division's Special Achievement Award.

And then last, we will hear from Dr. William Law. Dr. Law serves in his current capacity as president of Tallahassee Community College since the year 2002. And prior to his current position, Dr. Law, served as the founding president of Montgomery College, located in Hargrove, Texas.

Dr. Law has also served as president of Lincoln Land Community College, located in Springfield, Illinois and as Vice President for Institutional Program Planning at St. Petersburg Junior College in Florida.

I know you all know about the lights. It's OK, we really want to hear what you have to say, just don't get too carried away.

With that, Dr. Nault. Welcome. Relax, I know that you have never testified before Congress, but we're pretty easy people to get along with.

[Laughter.]

Chairman BOEHNER. You may begin.

**STATEMENT OF DR. RICHARD NAULT, VICE PRESIDENT FOR STUDENT AFFAIRS, MIAMI UNIVERSITY, OXFORD, OHIO**

Dr. NAULT. Chairman Boehner, I appreciate the opportunity to be here and appreciate your support. I would also like to thank Congressman Miller, and to all of the Members of the Committee for the opportunity to be here.

At times, schools and colleges appear to be black boxes. We know a great deal about the students who enter and we can say a great deal about what students are like when they graduate. But we often know surprisingly little about the characteristics and practices of universities—what happens inside the box that makes a difference in student success.

The important report from the Education Trust, "A Matter of Degrees," begins to illuminate these dynamics. And the Trust makes an important point: that some colleges do far better than expected given the profiles of their students. And the Trust singles out Miami University as a model institution in that regard.

National graduation rates, as the Congressman previously mentioned, are figured on a 6-year basis. Miami's graduation rate is 81 percent—we are eighth in the Nation among public—major public universities.

As the Trust researchers point out, Miami's consistently high results cannot be dismissed as merely reflecting our students abilities. The median rate for our peer institutions that attract the same sorts of students is 68 percent compared to our 81 percent graduation rate.

Now, if you asked me about the reason for this success, I would argue that it is attributable to the quality of personal education we provide. Or, to put it more simply, we teach.

Miami's primary mission has always been the education of undergraduates. Faculty are expected to be able scholars and skilled teachers. But they are expected to teach undergraduates. Full-time faculty regularly teach our students, including freshman. The percentage of our freshman classes taught by full-time faculty is 65 percent. At other universities the percentage can drift as low as 26 percent.

You hear evidence of this commitment to teaching in the stories of our students. We asked them once, in a recent meeting, we met with a group of students and we asked them what is most important about your education experiences here? We heard repeatedly, the students told stories of exceptional faculty commitment. One student who fell behind because of an illness told of a faculty member who sat with her for long hours to help bring her up to speed on difficult content.

Outside researchers studied Miami and have pointed out other characteristics of our environment that they argue enhances learning. Also our first-year students live in residence halls built around an academic theme. Faculty readily teach courses related to these themes in those halls. Our residence hall directors are trained advisors, and freshman make course choices by meeting with someone who knows them well.

And to enable students to make educationally sound and cause-effective course choices, Miami has developed a software system that allows students to monitor their academic progress 24 hours a day, 7 days a week. In short, we take teaching seriously and we define teaching to include all parts of the student experience.

In Miami, we believe, and I think the Trust touches on this theme very well, we have an obligation to ensure that a Miami education is assessable to all students, not just the wealthy.

Last spring, Miami adopted a tuition and scholarship model that provides for the same tuition for in-state and out-of-state students. But with generous scholarships for Ohio students that vary according to family need. We are the first institution in the country, a public institution, to take this approach.

Under this plan, incoming freshman from Miami this fall received \$25.5 million in two renewable scholarships. They first received the Ohio Resident Scholarship of \$5,000 which was indexed to state support, and when the state support goes up that scholarship will increase. And that is fixed for all Ohio freshman. The Ohio Leadership Scholarship vary from \$5000 to \$6200, and that's a second scholarship they received, and these are based much on need. And these scholarships are applied against Miami's tuition of \$19,600.

Now, 40 percent of in-state freshman are paying less this fall than they would have under the old tuition model. And, another 23 percent are paying the same. And we have seen gains in all of the groups that traditionally are under represented in our nation's schools. Seventeen percent, for example, of our entering first-year students this year are first-generation college goers, those whose parents never graduated from college.

Now, I knows states are being forced to make hard choices between funding higher education and other social purposes, and so

we have tried to do what we can with our structure and our community to make higher education more affordable.

And we will continue to work to ensure that students graduate with a diploma; that's our bottom line. And that means focusing intentionally on the quality of undergraduate teaching and learning, focusing on the value we add to student growth, and increasing access to Miami education, particularly for students who have found the doors to higher education closed in the past.

Thank you very much, Mr. Chairman.

[The prepared statement of Dr. Nault follows:]

**Statement of Dr. Richard Nault, Vice President for Student Affairs, Miami University, Oxford, Ohio**

On behalf of President Jim Garland and our Board of Trustees, I want to thank Chairman John Boehner and Ranking Minority Member George Miller and all the members of the Committee on Education and the Workforce for the opportunity to testify. It is an honor to be invited to talk about Miami University and to describe the practices that help a higher percentage of our undergraduates earn their degrees than at almost any other public university in the nation.

First, let me introduce myself. I am Richard Nault, Vice President of Student Affairs at Miami University, in Oxford, Ohio.

At times, schools and colleges appear to be black boxes. We know a great deal about the students who enter and we can say a great deal about what students are like when they graduate, but we often know surprising little about the characteristics and practices of universities—what happens inside the box—that make a difference in student success.

The important report from the Education Trust, “A Matter of Degrees: Improving Graduation Rates in Four-Year Colleges and Universities,” begins to illuminate these dynamics. The Trust makes an important point: that some colleges do far better than expected given the profiles of their students. The Trust emphasizes as well that these institutions often do particularly well with populations such as students of color, first generation college students, and student athletes—groups that often graduate at rates lower than their peers.

The Trust singles out Miami University as a model institution. We were heartened by the recognition, but we also recognize that much of our success is attributable to the talent and abilities of our student body.

Miami University is a top-tier public institution that attracts superior students from every state in the nation. The average ACT of our entering students is nearly 27, compared to the national average of 21 for all college-bound students.

National graduation rates are calculated on a six-year basis. Miami's graduation rate is 81 percent—eighth in the nation among major public universities. Our four-year graduation rate of 66 percent is higher even than the national six-year average of 63 percent.

As the Trust researchers point out, Miami's consistently high results cannot be dismissed as merely reflecting our students' abilities. The median rate for our peer institutions that attract the same sorts of students as we enroll is 68 percent compared to Miami's 81 percent. Our minority students' graduation rate is 65 percent compared to a 47 percent national rate.

If you asked me about the reason for success, I would argue that it is attributable to the quality of personal education we provide. Or, to put it simply, we teach.

We teach, not only in the sense of a skilled professor lecturing in the classroom but in our research labs, in our advising, in our tutoring support, and in the ways we mentor students outside of class.

Miami's primary mission has always been the education of undergraduates. Faculty are expected to be able scholars and skilled teachers. Full-time faculty regularly teach our students, including freshmen. The percentage of freshmen classes taught by full-time faculty is 65 percent. At other universities that percentage can be as low as 26 percent.

You hear evidence of this commitment to teaching in the stories of our students. Late spring semester, our Board of Trustees met with student leaders. Board members asked the students to name their most important academic experience. Repeatedly, the students told stories of exceptional faculty commitment. One student who fell behind because of an illness told of a faculty member who met with her for long hours to help her understand difficult content. Others told of faculty who became partners in research or who captured student interest by the intensity and infec-

tiousness of their teaching. Our faculty are scholars, but their primary mission is the education of our students.

Outside researchers have pointed out other characteristics of our environment that enhance learning.

- Our first year students live in residence halls built around an academic theme. Faculty regularly teach courses related to these themes in the residence halls.
- Our residence hall directors are trained academic advisers. Freshmen make course selections by meeting with someone who knows them well.
- Miami is a place where students take active leadership outside the classroom. Miami provides more than 300 students organizations, two leadership institutes, and a center to support community volunteerism. This sense of involvement outside the classroom creates an ethos that encourages students to be active learners in the classroom as well.
- Our organizational climate is one of collaboration. We ask that all members of the community, whether faculty, staff, secretaries, or housekeepers in our residence halls, be partners in fostering student learning.
- To enable students to make educationally sound and cost-effective course choices, Miami has developed a software system that allows students to monitor their academic progress 24 hours a day, seven days a week.

In short, we take teaching seriously, and we define teaching to include all parts of the student experience. Our graduation rates, we believe, reflect the clarity of our mission as a teaching institution and reflect the depth of this commitment.

The authors of the report Documenting Effective Educational Practice (Project DEEP) have commented that our climate is one marked by “serious, sustained attention to improvement.” We are not content that our minority students graduate at rates far higher than their national peers. Instead, we focus on the lag of these students behind their white classmates. On Miami’s campus the difference is 16 percent. We have initiated several programs to close that gap. The status quo on Miami’s minority graduation rates, even if better than other colleges and universities, is not good enough.

At Miami, we believe we also have an obligation to ensure that a Miami education is accessible to all students, not just the wealthy. Our new tuition plan is the most dramatic evidence of this commitment.

Last spring, Miami adopted a tuition and scholarship model that provides for the same tuition for in-state and out-of-state students, but with generous scholarships for Ohio students that vary according to family need.

Under this plan, incoming freshmen from Ohio this fall will receive \$25.5 million in two renewable scholarships. The Ohio Resident Scholarship of \$5,000 is indexed to state support and fixed for all Ohio freshmen, and the Ohio Leader Scholarship varies from \$5,000 to \$6,200 for each student. These scholarships are applied against Miami’s tuition of \$19,600 annually.

Forty percent of in-state freshmen will be paying less this fall than under the old tuition system and another 23 percent will be paying about the same. We have seen gains in all of the groups that traditionally are underrepresented at our nation’s colleges. Seventeen percent of our entering freshmen are first-generation college students, those whose parents never graduated from college. In addition, the percentage of minority students in our incoming class is up considerably.

In an era when states are being forced to make hard choices between funding higher education and other public priorities, Miami has taken steps to ensure that it will have the income to maintain and improve its educational quality while still remaining accessible to the most deserving in-state students, regardless of family income.

We will continue to work toward ensuring that students who enroll will leave with a diploma; that means focusing intentionally on the quality of undergraduate learning, focusing on the value we add to student growth, and increasing access to a Miami education, particularly for students who have found the doors to higher education closed in the past.

Attached are appendices containing more information on the important issues you are reviewing.

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[Attachments to Dr. Nault’s statement have been retained in the Committee’s official files.]

Chairman BOEHNER. Dr. Lingenfelter.

**STATEMENT OF DR. PAUL E. LINGENFELTER, EXECUTIVE DIRECTOR, STATE HIGHER EDUCATION EXECUTIVE OFFICERS, DENVER, COLORADO**

Dr. LINGENFELTER. Thank you, Mr. Chairman and Members of the Committee, for the opportunity to testify.

SHEEO members, Members of my association, work with higher education and the states on state government policy for higher education. It happens that next week we will celebrate the 50th anniversary of the Association. And as I looked back over the achievements of higher education, although we—I think you appropriately are focused on the challenges facing us. I think we have made enormous progress in the last half-century. And I want to claim some credit for our members.

The members of SHEEO understand how important higher education is and we are strong advocates of higher education. At the same time, we understand that public-policy has to deal with multiple priorities and limited resources.

A great educator, Frank Rhodes, who is President of Cornell, once commented that “higher education is a sea of toes, waiting to be stepped on.” I imagine that you understand what he meant, and SHEEO dues too. We step on toes, we get our toes stepped on. We try to get the facts straight, recognize different perspectives, and not be too sensitive.

I have been asked to comment on our recent study on State Higher Education Finance. I want to mention four major findings of the report, and then I will elaborate on them briefly, and then turned to graduation rates briefly, and then leave some room for questions.

The main points I would like to emphasize is first, we looked over 30 years and found that state support for higher education, on a per student basis, kept pace with enrollment growth, and with inflation, as measured by the Consumer Price Index. That’s an enormous achievement. We’ve got to recognize that the Consumer Price Index is not necessarily the best index of cost increases in higher education.

And when I talk about the trends in the last 12 years, from 1991 to 2003, I will be using the Higher Education Cost Adjustment, which is an index that we developed—which I can get into if you would like—which we think is a more reasonable basis of inflation.

Second main point is that in the past, the common pattern is for state support to lose ground during recessions, and then regained ground during economic recovery.

Third point is above average tuition increases generally occur in those recessions, when enrollments go up, and offset decreases in state support.

My last point, and the one that I think deserves, perhaps, the most emphasis, is that the variation among the states is just enormous. If you want to find an argument for any points you want to make, the evidence is there.

Let me just give you some of the highlights over the past dozen years. Nationally, full-time equivalent enrollment grew by almost 19 percent. Half of that increase occurred in the past 3 years from the year 2001 to 2003. State support per student, in constant dollars, fell by 7.3 percent in this dozen year period. Interestingly

though, it grew more than 15 percent in three states, and it fell more than 20 percent in 10 states.

Actually the enrollment growth was very unevenly distributed too. In seven states, enrollments grew more than 40 percent, and in 15 states it grew less than 10 percent.

Net tuition, nationally, and by net tuition we mean tuition less state and institutional student aid. It grew by 28 percent during this period. But in four states it grew by more than 80 percent. It grew less than inflation in four other states.

Total support for students, considering both tuition and state support, grew by 2 percent, and essentially was constant during this 12 year period. However, it grew by more than 20 percent in five states, it fell by more than 15 percent in five states.

I would like to make one point about tuition that's critically important, I think, to emphasize. And that is that a 1 percent decrease in state support has very different implications in a state, depending upon what their tuition rate is.

In California, a 1 percent decrease in state support will require a 6 percent increase in tuition to offset that loss of revenue.

In Vermont, New Hampshire, both high tuition states, it would take less than 1 percent of a tuition increase to offset a decline in state support.

I see that I need to sum up, so let me make just a couple more points.

The differences among the states, in their economic situation and rates of enrollment, in their interests in improving and strengthening their higher education system, all play an important role in this picture.

One, graduation rates, I would just like to make a few points. First, improving graduation rates is a national priority. There's no question about that. You have received some testimony about the necessary improvements in our data collection systems. Those are important. I think the advantages of a unit record system should be seriously considered. A number of states have solved the privacy issues and have done a good job with that.

But if we had perfect data, we would still have to improve graduation rates. My written testimony has a number of points that I think deserves emphasis, and would be happy—

I am going to stop now, because I'm instructed to buy this light. I will be happy to respond to any questions, later on, on those issues. Thank you.

[The prepared statement of Dr. Lingenfelter follows:]

**Statement of Paul E. Lingenfelter, Executive Director, State Higher Education Executive Officers, Denver, Colorado**

Mr. Chairman and members of the Committee, thank you for this opportunity to testify. I am Paul Lingenfelter, Executive Director of the State Higher Education Executive Officers Association, commonly known as SHEEO.

The main responsibility of SHEEO members is to work with colleges and universities and state government to meet state and national goals for higher education.

Our members understand how important higher education is to the future of our country. We are strong advocates of higher education. At the same time we understand that public policy must deal with multiple priorities and limited resources. We work between higher education and state government, which is not always a comfortable place to be.



I am told that a great educator, Frank Rhodes, long President of Cornell University, once said that “higher education is a sea of toes, waiting to be stepped on.” I imagine you know what he meant.

SHEEOs step on toes, and we get stepped on too. We try to get the facts straight, recognize the value of different perspectives, and not be too sensitive.

You have asked me to discuss a recent study by SHEEO, State Higher Education Finance, fiscal year 2003, and consider whether the college graduation gap and low graduation rates can be attributed to state cutbacks in higher education spending.

The principal focus of the report is state operating support for public institutions. The study also has information on state support for independent institutions. It primarily examines trends in higher education finance from 1991 to 2003, and we took a brief long-term look at state funding for higher education since 1970. I’d like to make four main points from the study.

- Despite contractions during economic downturns, since 1970 state support nationally has kept pace with substantial enrollment growth and inflation as measured by the CPI. This is an impressive achievement when one considers the amount of enrollment growth we have experienced, even though the CPI underestimates inflation in the market basket of colleges and universities.
- In the past, state support per student has lost ground during recession and then regained ground during economic recovery;
- Above average tuition increases generally occur in recessions to help finance enrollment growth and offset decreases in state support per student; in the past twelve years net tuition per student has increased substantially more than state support;
- The situation among individual states varies substantially; national generalizations almost never reflect local conditions.

The most dramatic thing in these numbers is not state support or inflation; it is enrollment growth. From 1970 to 2003 full time equivalent enrollments in public institutions doubled. In the last twelve years we added 1.5 million FTE enrollments, an increase of 18.7% to reach 9.6 million. Of that growth more than half, 800,000 FTE students, has occurred since 2001.

In recessions three things usually happen: enrollments grow, state support declines, and tuition goes up. In 1991 constant dollar state support per student was \$6,283; it fell to \$5,710 by 1993 during the downturn of the early 1990s. State support per student then grew to \$6,546 in 2001, but it dropped to \$5,823 in 2003. The difference between the peak and valley of constant dollar state support per student during the past dozen years was \$836, 12.8% of the peak amount.

Our report examines net tuition revenue, which is the total tuition collected, after taking out state and institutional student aid. Constant dollar net tuition per FTE was \$2,233 in 1991 and it grew \$617, or 28% to \$2,850 by 1998. It has remained essentially at that level since; it was at \$2,872 in 2003.

How can this possibly be, given the large tuition increases recently reported? Several factors might explain this. First, this study reports net tuition—state and institutional aid has offset some of the increases. Institutions are probably using more tuition revenues for student aid, given enrollment growth and limits on state and federal aid programs. Second, I expect that much of the enrollment growth has been in community colleges, where tuition tends to be lower. Third, the institutions with the largest, headline grabbing percentage tuition increases usually have the lowest tuition in real terms.

The net effect of these changes in the past dozen years has been that total educational spending (which we define as state support plus net tuition) per FTE has been relatively constant. It was at \$8,516 in 1991, it grew to \$9,381 at the peak of 2001, and it decreased to \$8,694 between 2001 and 2003.

The last, and perhaps most important point, I want to make about the findings of this study is that these national generalizations conceal enormous variation among the states. Let me give a few examples using the 1991 to 2003 time period:

- Nationally FTE enrollment grew 18.7%; seven states grew more than 40%, and fifteen grew less than 10%.
- Constant dollar state and local appropriations per FTE fell 7.3% nationally; three states had more than a 15% constant dollar increase, and ten states had more than a 20% decrease.
- At the national average net tuition pays about 32 % of educational costs. In California and Georgia that percentage is about 14%; in Vermont and New Hampshire it is 60 to 70%. In Vermont a 1% decrease in state revenue can be replaced by less than a 1% increase in tuition. In California a 1% decrease in state revenue would require a 6% percent tuition increase to generate equivalent revenue. At the national average it would take a 2 % tuition increase to replace a 1% decrease in state support.

- Net tuition per student in constant dollars grew 28% nationally; in four states it grew by more than 80% and in four states it grew less than inflation.
- Total funding per FTE increased 2% nationally; in five states it dropped more than 15%, and in five states it increased by more than 20%.

Many different factors explain the variation among the states. Enrollments are growing enormously in some states, very little in others. Some states are trying to improve the funding and competitiveness of their higher education system. Some have created substantial new scholarship programs. And some are deliberately working to change the balance between state appropriations and tuition; they've had low tuition and they need more revenues to finance rapid enrollment growth.

These differences make it difficult to devise a federal policy approach that fits the situation of most of the states.

I should mention one technical point before discussing graduation rates. I'm sure you have heard arguments that the Consumer Price Index does not reflect what colleges and universities buy. They mostly buy the time of well-educated people, whose salaries, like personal incomes in general, have grown faster than the CPI. The Higher Education Price Index (HEPI) has been proposed as a more appropriate measure of higher education costs, but it too has its critics.

Our study has used a new approach for estimating higher education inflation, based on two federally maintained price indexes: the Employment Cost Index for White Collar Workers and the Gross National Product Implicit Price Deflator. Its measure of inflation generally turns out to a bit below the Higher Education Price Index but higher than the CPI. We believe it is a reasonable approach.

Now let me turn to the question of graduation rates and the role of finance in graduation rates. SHEEO members strongly believe that increasing the rate and speed of successful degree and certificate completion is a national priority; it deserves the concentrated attention of policy makers and educators.

I know you have received testimony documenting the ways our data collection systems provide misleading, incomplete information on graduation rates. A student unit record system would help address that concern, and many states have experience with such systems. They have found acceptable ways of protecting privacy while providing valuable information for educators and policy makers. We would be able to answer a number of important education policy questions better and more cheaply if we had unit record data systems to track the progress of groups of individual students throughout their education.

But if we had perfect data we would still need to improve graduation rates.

The easy way to increase graduation rates is to compromise on quality or increase selectivity by reducing the numbers of students admitted to higher education. Neither is acceptable. We need to increase quality, and we need to increase participation.

The right way is to work on all of the factors that delay timely graduation or cause students to drop out who can succeed. A few of the most important factors include:

1. Improving the number of students who take rigorous, college prep courses in high school and are well-prepared for college work.
2. Providing good academic counseling and coherent, clear pathways toward a degree in every college.
3. Making sure courses needed for graduation are available.
4. Providing greater rewards for engaging, rigorous undergraduate teaching.
5. Reducing inappropriate loss of credit due to transfer among institutions.
6. Providing enough student assistance to enable and encourage low-income students to limit working hours and take a full time course load.
7. Providing on-campus work opportunities that keep students focused on campus life, rather than on outside distractions.
8. Providing incentives and counseling assistance to encourage students take a full course load and complete their education in a timely fashion.
9. Providing support services to non-traditional students whose work and family responsibilities can delay or derail their educational program.

Like everything in education, getting better results on graduation rates will require collaboration. Everybody involved—students, faculty, institutions, policy-makers—has to help.

Many, but not all of the items on this list have fiscal implications. Additional money always makes progress easier. But we can't wait until there is enough easy money to improve graduation rates. In states, in institutions, and in the federal government we have to make good decisions about spending priorities for using the money we have, and we have to improve the ways we use money to get better results.

Your attention to the issues of cost and graduation rates is helpful to higher education and to the states—these issues are fundamentally important to the national interest in having a competitive workforce and well-educated citizens. Without federally required information and such discussions it would be very difficult for the nation to focus on these important matters.

We all have distinctive roles to play in achieving our national objectives for higher education. As you consider the re-authorization of the Higher Education Act I hope the Congress is able to find ways of making even stronger federal contributions that complement and strengthen the roles of institutions and the states. It is important for us to work well together.

The Committee staff has indicated that we will have until July 27, 2004 to submit a more complete statement of written testimony. I welcome that opportunity to address any questions that may arise in this hearing. It also will give more members of the Association an opportunity to provide input. Thank you very much for the opportunity to provide testimony.

**Summary of Key Indicators from SHEEO State Higher Education Finance  
1991 through 2003**

**National Data in 2003 Constant Dollars adjusted by the Higher Education Cost Adjustment:**

	1991	1993	1998	2001	2003	% Change 1991-2003
FTE Enrollment	8.1 million	8.4 million	8.4 million	8.8 million	9.6 million	18.7%
State Support per FTE	\$ 6,283	\$ 5,710	\$ 6,370	\$ 6,546	\$ 5,823	-7.3%
Net Tuition per FTE	\$ 2,233	\$ 2,561	\$ 2,850	\$ 2,835	\$ 2,872	28.6%
Total Ed Funding per FTE	\$ 8,516	\$ 8,271	\$ 9,221	\$ 9,381	\$ 8,694	2.1%

**Differences Among the States:**

<i>FTE Enrollment growth:</i>	Nationally grew by 18.7% Seven States grew more than 40%; fifteen grew less than 10%
<i>State support:</i>	Nationally fell by 7.3% Grew more than 15% in three states; fell more than 20% in ten states
<i>Net Tuition:</i>	Nationally grew by 28% Grew by more than 80% in four states; grew less than inflation in four states
<i>Total Ed Funding per FTE:</i>	Nationally grew by 2% Grew by more than 20% in five states; fell by more than 15% in five states.
<i>Net Tuition as a % of Total Ed Funding:</i>	National Percentage: 32% Range among the states: 14% in Georgia and California 72% in Vermont

Chairman BOEHNER. Mr. Wiener.

**STATEMENT OF ROSS WIENER, POLICY DIRECTOR, THE  
EDUCATION TRUST, WASHINGTON, DC**

Mr. WIENER. Thank you, Chairman Boehner and Members of the Committee for this opportunity to testify today.

Since its establishment in 1991, the Education Trust has worked to improve the academic success of America's young people—especially low-income students and students of color—from kindergarten through college. As many of you know, we recently published a report on college graduation rates. Its author, Kevin Carey, is with me here today, and I have brought additional copies of the report for Members of the Committee.

Higher education has long been one of the main drivers of opportunity, social mobility and economic progress in our society. But that tremendous success has allowed us to overlook a serious and

deep-rooted problem in higher education: overall far too many students who enter our higher education system fail to earn a degree. Only 63 percent of students who begin full-time at a 4-year college get a bachelor's degree within 6 years. And completion rates are substantially lower for minority students and students from low-income families.

While approximately two-thirds of white freshman and 4-year colleges earned a degree within 6 years, fewer than half of African-Americans and Latinos do so. There are also significant differences in completion rates between students based on family income: 77 percent of students from high-income families graduate, while only 54 percent of students from low-income families graduate. It is important to keep in mind that these figures represent outcomes only of those students who began as first-time, degree-seeking freshmen—that is, the students who are most likely to persist and graduate.

To put these completion rates into perspective, consider this: if current trends continue, over 500,000 students will enter college this fall, try to earn a degree, and not succeed. At least not within 6 years.

But, because the number of students entering the nation's colleges and universities has been steadily rising, not much attention has been paid to these low completion rates. Graduation rates among first-time, full-time students in 4-year colleges have remained stagnant for decades—we are successfully getting more young people to college, but we are not getting proportionally any more of them through college.

These disturbing patterns—have remained stubbornly consistent, the consequences of not graduating have changed drastically. People with a 4-year degree or higher now earn much more relative to high school graduates than they did 30 years ago. By contrast, those who enroll in college but failed to graduate or get an associate degree have made only slight gains in income.

Unless we change this current trend, we will become a society that is even more polarized by class distinctions. Only 7 percent of young people from the poorest families earn a bachelor's degree by the time they are 26. Sixty percent of young people from our most affluent families earn a college degree by the time they are 26. College degrees may be the best route out of poverty, but they are a route now for only seven of every hundred low-income families.

Three areas on which Federal policy is focused play significant roles in student success: preparation, ability to pay, and institutional policies and practices. There are important opportunities to significantly improve student preparation and student financial aid through reauthorization of the Higher Education Act. We have described some options in our written testimony and I would be happy to elaborate on any of them.

But while preparation and ability to pay are important, they do not tell the whole story. What is becoming increasingly clear is the critical role institutions themselves play in securing the success of their students.

How do we know? Because right now, institutions that serve similar students, with similar academic backgrounds, and similar financial situations, have widely divergent graduation rates.

This is the first year that institutional level graduation statistics have been released to the public, disaggregate by student gender and race ethnicity. Examining these numbers, we find that some institutions stand out even after controlling for factors such as institutions size, resources, mission, degree programs, and financial and academic backgrounds of their entering students.

Some colleges and universities have much higher graduation rates than other very similar institutions. Examples of these exceptional institutions encompass a wide range, from Elizabeth City State University, a historically black institution in North Carolina, to Miami of Ohio, who you have heard from earlier today, a highly selective public university, to the University of California at Riverside, which serves a highly diverse mix of Black, Latino, White, and Asian students.

These institutions are different in many ways. Their size, location, mission, selectivity, and students vary tremendously. But they are similar in one fundamental respect: they constantly and significantly outperform their peers in graduating students.

This fall, the Education Trust will be making all of this data available through an interactive data base on our web site. Visitors will be able to select a given institution and see how it compares to similar peer institutions in graduating students.

But even as individual institutions have distinguished themselves, our higher education system has collectively made virtually no progress in improving graduation rates. That must change both for the students and for our country. Institutions of higher education must be accountable for doing what they can do to enable the success of the students they admit.

States are currently in the best position to create these accountability systems. But, it is important that states and systems of higher education began to see accountability as a responsibility, not a choice. Therefore, Congress should require states to put in place an accountability systems for 4-year colleges and universities.

I see that my time has run out. I know that there are limitations of the data right now, and we can discuss those. We would agree with a number of suggestions that have been made to the Committee around better record keeping and better data systems. Those would help improve again both what we know about colleges and universities and they would improve the accuracy of accountability determinations.

But we think it is very clear that the data exists right now is highly reliable and sufficient to create the beginnings of an accountability systems, particularly, for 4-year colleges. Thank you very much.

[The prepared statement of Mr. Wiener follows:]

**Statement of Ross Wiener, Policy Director, The Education Trust,  
Washington, DC**

Thank you for this opportunity to testify regarding college graduation rates and their implications for the reauthorization of the Higher Education Act. Since its establishment in 1991, The Education Trust has worked to improve the academic success of America's young people—especially low-income students and students of color—from kindergarten through college. As many of you know, the Education Trust has recently published a report on this topic by Senior Policy Analyst Kevin Carey, who is with me here today, and I have brought additional copies of the report for Members of the Committee.

Higher education in America has been and continues to be a tremendous success story. Collectively, our colleges and universities are unparalleled, attracting students and scholars from all over the world. Higher education has long been one of the main drivers of opportunity, social mobility and economic progress in our society. And that promise has been supported through federal policy—through tax-exempt status, establishment of land-grant institutions in the 19th Century, the G.I. Bill after World War II, and Pell Grants since 1972. Our historical national commitment to education has paid fantastic dividends; the United States has long had the best-educated, most productive workforce in the world.

But that tremendous success has allowed us to overlook a serious and deep-rooted problem in higher education: far too many students who enter our higher education system fail to earn a degree. Overall, only 63 percent of students who begin full-time at a four-year college get a bachelor's degree within six years, according to the U.S. Department of Education's Beginning Postsecondary Survey. Graduation rates are even worse for BA-bound students who begin in a 2-year college. Moreover, in both types of institutions, completion rates are substantially lower for minority students and students from low-income families.

While approximately two-thirds of White freshmen in 4-year colleges (66.8%) obtain a degree within six years, fewer than half of African-Americans (45.7%) and Latinos (47.3%) do so. There are also significant differences in completion between students in terms of family income: 77 percent of students from high-income families graduate, compared to only 54 percent for students from low-income families—a 23 percentage point difference. It is important to keep in mind that these figures represent the outcomes only of students who began as first-time, degree-seeking freshmen in 4-year institutions—that is, the students who are most likely to persist and graduate.

To put these completion rates into perspective, consider that in fall 1995, over 1.1 million students enrolled as first-time freshmen in a four-year college or university. That means that more than 400,000 students were accepted into baccalaureate-granting institutions intending to get a four-year degree, but still had not graduated six years later. When we take into account the growth in college enrollment since then—first-time freshman enrollment now exceeds 1.4 million annually—and consider the additional students who begin their college career in community college with the intention of transferring and earning a bachelor's degree, we can say this with confidence: if current trends continue, over half a million students will enroll in college for the first time in fall 2004, try to earn a degree, and not succeed (at least, not within six years).

Because the number of students entering the nation's colleges and universities has been rising overall, not much attention has been paid to these low completion rates. The percentage of high school graduates going on to two-year or four-year colleges and universities increased from less than half in 1975 to almost two-thirds in 2001. But graduation rates among first-time, full-time students in 4-year colleges have remained stagnant for decades—we are successfully getting more young people to college, but not getting proportionally any more of them through college.

While these disturbing patterns—low overall graduation rates and big gaps between groups—have remained stubbornly consistent, the consequences of not graduating have changed drastically. People with a four-year degree or higher now earn much more relative to high school graduates than they did 30 years ago, and the gap increases with the level of the degree. By contrast, those who enroll in college but fail to graduate or get an associate degree have made only slight gains.

Unless we change current trends, we will become a society that is even more polarized by class distinctions. Consider this: only 7% of young people from the poorest one-quarter of American families earn a bachelors degree by age 26, while 60% of young people from the top quartile of family income do so. College degrees may be the best route out of poverty, but they are a route now for only 7 of every 100 youngsters born to a low-income family.

Beyond the dire negative consequences to the young people themselves, though, these college completion patterns have worrisome implications for our national future—especially as other countries emulate, and even surpass, the United States' success in higher education access and attainment. In contrast to almost all other industrialized nations, the US alone has remained relatively stagnant in the percent of working-age citizens with a college degree. Our dominance in college graduates is waning just as globalization is exerting relentless pressure on the U.S. labor market.

Higher education has an increasingly important role in our future prosperity. As Federal Reserve Chairman Alan Greenspan noted recently: “By the time that the United States entered World War II, the median level of education for a 17-year old was a high-school diploma—an accomplishment that set us apart from other coun-

tries...We need to be forward-looking in order to adapt our educational system to the evolving needs of the economy and the realities of our changing society...More broadly, our system of higher education bears an important responsibility for ensuring that our workforce is prepared for the demands of economic change.”

PREPARATION, AFFORDABILITY, PRACTICE: SHARED RESPONSIBILITY IN STUDENT SUCCESS

Three areas on which federally policy is focused play significant roles in student success: preparation, ability to pay, and institutional policies and practices.

*Student Preparation*

Student preparation has a major impact on subsequent success in college. A large-scale transcript analysis conducted by the U.S. Department of Education revealed that the rigor of a student’s high school curriculum was the single most significant predictor of college success, overriding the significance of race and socioeconomic status. Yet, while these patterns are clear in national data, few states have truly aligned their requirements and standards for high school students with expectations for incoming college freshmen. In practical terms, this means that too many high school students proceed through high school believing that they are being prepared for postsecondary education, only to find they need significant remediation before they can take credit-earning courses.

This lack of clear articulation between K–12 and higher education disproportionately impacts low-income students and students of color, who are less likely to be enrolled in the college prep curriculum and less likely to get clear information on the devastating impact this has on their college aspirations: the data is very clear that students who need remediation in college are much less likely to graduate.

Reauthorization of the Higher Education Act provides Congress with several opportunities to promote better preparation for college and for life. First, Congress should support state efforts to align the standards for high school exit with those for beginning post-secondary study. With a relatively small investment, Congress could help link K–12 and higher education data systems which would allow states to significantly advance alignment and articulation activities. What should states have to do to receive these funds? Quite simple:

- K–12 and higher education systems need to agree on common definitions of the knowledge and skills required to begin postsecondary work.
- K–12 systems need to review state standards and course requirements required for a high school diploma and develop a process to bring them into alignment with the skills and knowledge required to begin postsecondary work.
- K–12 and higher education together need to agree on common assessments for measuring whether students possess the skills they need, and a curriculum that prepares students adequately for the challenges of postsecondary education.
- States willing to make this curriculum the default curriculum for all students should receive additional federal financial assistance to provide the professional development that will be required.

In addition, Congress can provide extra encouragement to low-income students to prepare for success in postsecondary education by providing additional financial aid to low-income students who have completed the college prep curriculum.

*Money Matters*

Providing financial incentives for students to complete a more rigorous college prep curriculum would begin to address another contributor to low graduation rates—the cost of attending college. But this step alone is by no means sufficient. The financial burden of paying for college is a huge barrier for many young people. Low income young people are particularly hard hit, because the relative value of Pell Grants has diminished by 50% since the late 1970s. Whereas Pell Grants used to cover 84% of the average fixed cost at a public, four-year institution, in 2001–02 they covered only 42% of these costs. It is hugely important that you act to restore educational opportunities for our most vulnerable young people.

- Congress should commit to a five-year trajectory to recoup the buying power of Pell Grants.

Beyond providing more help to low-income students, though, it is important for Congress to consider how it might provide stronger incentives to colleges to enroll low-income students. As college-going increases, colleges often have less incentive to educate more low-income students. Despite the unique importance of higher education in breaking the cycle of poverty for students from low-income families, increases in student financial aid over the last ten years—at the federal, state, and institutional levels—have disproportionately benefited upper-middle and middle-class students. So even as the dollars for financial aid have grown, truly low-income

students have been asked to shoulder more of the burden of paying for college through loans. And institutions of higher education should be eligible for supplemental financial assistance for enrolling and graduating low-income students.

- Both federal grants to individuals as well federal aid to institutions should be designed to better serve the federal priority of increasing the access and success of low-income students.

In addition, the process of simply arranging college financing presents a daunting morass of confusing, sometimes duplicative, programs. In some instances, the federal government is providing rich subsidies to private lenders without commensurate benefits to the low-income students the programs were established to serve. Indeed, the President's budget proposal makes the case that "significantly lower Direct Loan subsidy rates call into question the cost effectiveness of the FFEL [guaranteed student loan] program structure, including the appropriate level of lender subsidies" and cites "evidence of significant cost inefficiencies" in the FFEL program. These subsidies should be limited and the savings should be redirected to as need-based aid for low-income students.

- Congress should eliminate excessive subsidies and directly administer a greater portion of federally guaranteed student financial assistance, such as has been proposed by Congressmen Petri and Miller.

#### *What Institutions Do Matters, Too*

Preparation and ability to pay are important, but they do not tell the whole story. What is becoming increasingly clear is the critical role institutions themselves play in securing the success of their students. How do we know? Because right now, institutions that serve similar students with similar preparation and similar family incomes have widely divergent graduation rates. Our recent report focusing on this issue revealed that some colleges and universities are doing much better than others in graduating their students, even once we account for student characteristics.

This is the first year that institution-level graduation rate statistics have been released to the public, disaggregated by student gender and race/ethnicity. Examining the numbers closely, we find that some institutions stand out—even after controlling for factors such as institution size, resources, mission, degree programs, and the financial and academic background of their entering students. Some colleges and universities have much higher graduation rates than other, very similar institutions.

These exceptional higher education institutions range from Elizabeth City State University, a historically Black institution in North Carolina whose student body is predominantly low-income, to Miami of Ohio, a highly selective public university, to the University of California at Riverside, which serves a highly diverse mix of White, Black, Asian, and Latino students, to the University of Northern Iowa, a mid-sized comprehensive institution.

These institutions are different in many ways—their size, location, mission, selectivity, and students vary tremendously. But they're similar in one fundamental respect—they consistently and significantly outperform their peers in graduating students.

And the data reveal that high performance doesn't have to be for some students at the expense of others—institutions like East Carolina University in North Carolina and Binghamton University in New York outperform their peers without gaps in graduation rates between white students and students of color. We even know that rapid improvement is possible, thanks to the example of the University of Florida, Louisiana Tech, and others that have upped graduation rates for five years running.

This newly available data establishes that what institutions do makes a very big difference when it comes to student success. This fall, the Education Trust will be making all of this data publicly available through an interactive database on our website. Visitors to our website will be able to select a given institution and see how it compares to similar, peer institutions in graduating students. We will be happy to provide Members of Congress and their staffs with information and analysis from this database.

Even as individual institutions have distinguished themselves, our higher education system has, collectively, made virtually no progress in improving graduation rates over the last three decades. That must change—both for the students and for our country. Institutions of higher education must be accountable for doing what they can to enable the success of the students they admit.

Leaders in many states are beginning to step up to this responsibility:

- For example, The University System of Georgia, led by Chancellor Tom Meredith, has begun to study the graduation rates of its 34 colleges and universities,



with the aim of setting graduation rate goals, both overall and for student sub-groups, for which campus presidents will be held accountable.

- In Massachusetts, a graduation rate task force has been appointed to find out why the number of undergraduate degrees awarded by 24 state and community colleges has dropped steadily since 1997, particularly in economically depressed areas served by the schools. Spurred by upcoming implementation of a new state performance funding system, the task force is expected to outline a series of concrete recommendations by December.
- And it is no coincidence that two of the unusually high-performing institutions I mentioned earlier are from North Carolina. Some years ago, the UNC system began publishing graduation rates and holding campus presidents accountable for these numbers.

The traditional state role in regulating and funding higher education suggests that states are currently in the best position to create robust accountability systems that hold institutions appropriately responsible for the success of their students. But given the national interest in tackling this problem, Congress should ask states to design and implement goals and accountability systems for higher education access and outcomes. While the quality of currently available data and the limited knowledge of best practices advise against a uniform system nationally, it is important that states and systems of higher education begin to see accountability as a responsibility, not a choice.

- Congress should require states to put in place an accountability system for 4-year colleges and universities.

States should have broad discretion in designing systems that meet the particular needs and characteristics of their institutions, and that fit with systems that have already been established. But each system should share several common characteristics: (1) accurate, publicly available graduation rates that are disaggregated by student gender, race/ethnicity, and income status; (2) specific goals for improvement at each institution, including both overall improvement and closing gaps between groups; and (3) public reporting of institutional success in meeting graduation-rate goals. And states should develop plans to integrate 2-year institutions into their accountability system, once appropriate measure are developed that account for the diverse missions those institutions pursue.

Some states are already well on the way to developing graduation-rate measures that improve on the federally-collected data, by taking into account student mobility between institutions. These states should be allowed to use these fuller measures as they implement accountability systems. States that have not yet made the investment in the data systems they need should use the federally-collected measures in the meantime.

Accountability for higher education should also incorporate measures of access and quality of learning, to ensure that increasing student completion doesn't come at the expense of academic standards or education opportunities for low-income students. Measures of institutional success must include both the institution's performance in graduating traditionally underserved students, and its success in recruiting and admitting such students. Too often, success in higher education is measured in terms of increasing the so-called "quality" of the students institutions enroll, which can come at the expense of serving the students whose need for an accessible, affordable, high-quality post-secondary education is greatest. Congress must help to counterbalance those pressures by recognizing and encouraging those who give access and success equal attention.

#### BUILDING EVEN BETTER DATA SYSTEMS

We recognize that the institutional graduation rate statistics currently gathered by the Department of Education aren't perfect, because they don't fully account for students who transfer from one institution to another. This is less of a problem than is sometimes suggested, though. Less than a quarter of beginning 4-year students transfer, and only a third of those students who transfer end up graduating within six years. As a result, 80% of all students who start college at a 4-year institution and earn a B.A. finish where they began. The current graduation rate statistics are more than enough to know that some institutions are doing much better than others, and we should act on that information now.

But we can and must do better. The U.S. Department of Education should be directed to work with states to develop a next generation of graduation rate statistics that appropriately account for mobility and other factors. Higher education institutions currently submit an array of detailed, time-consuming survey forms to the federal government on a variety of subjects. All of this data is important, and needs to be collected in the future. But by moving to a more streamlined, powerful data

collection system that allows the tracking of student success at multiple higher education institutions, we could increase the efficiency and utility of the data collection process while reducing the expense in the long run. We can also answer vital questions that currently lie beyond the scope of the data system, such as: what are the graduation rates of low-income students and students receiving federal financial aid? How does the success of students seeking different academic majors compare? How successful are institutions in graduating students, after taking into account those who transfer?

Such a system would also give us much more information about the pipeline of students between 2-year and 4-year colleges. We currently know even less about the success of our community colleges than our baccalaureate and graduate institutions, despite the fact that 2-year colleges represent a growing sector of higher education, particularly for low-income, minority, and non-traditional students. A more integrated, powerful data system will change this, providing a more clear picture of success across higher education sectors.

With this new data in hand, Congress can help promote public scrutiny of higher education outcomes by disseminating and drawing public attention to a free, easy-to-understand, uniformly-comparable public information system. Such a system would allow students, parents, and policymakers to better understand how different colleges and universities compare on crucial performance benchmarks, including access, affordability, and graduation rates, as well available information regarding academics and safety. Honest, objective, reliable information about the success of individual institutions of higher education needs to become more easily accessible and this data needs to permeate discussions of institutional quality.

Moving forward, we need to know much more about which institutions are doing better, and then we need to learn more about what these institutions are doing. Gathering much richer data about student progress and success is an important component of any strategy to improve outcomes in higher education. Better data will help researchers and higher education leaders identify high performers and learn from them. There are some promising initiatives underway in this regard, such as NSSE, the National Survey of Student Engagement developed at Indiana University. NSSE and similar projects are exploring the connections between institutional practices and student success. But in-depth “best practices” studies whose results are transferable from one college or university to another are far too rare in higher education, in part because there hasn’t been enough good data to reliably know who the “high performers” really are, and in part because neither tradition nor policy have created sufficient demand for such studies.

Congress can advance the conversation on both of these issues through the HEA reauthorization.

- Better data systems should be developed to more accurately identify the most successful institutions and research should be supported to discern the policies and practices that distinguish these institutions from their peers.
- To spur interest in the colleges and universities that truly stand out in their service to their students, Congress should establish a program akin to the Blue Ribbon schools in the K–12 context.

The federal government should very publicly recognize and reward the colleges and universities that are serving the greatest number of low-income and minority students and demonstrating the greatest success in graduating these students. Our initial research suggests that these institutions come from all sectors of post-secondary education, from large research universities to small private colleges to minority-serving institutions. By very publicly identifying the best of the best, and rewarding them for their success, Congress could set a standard against which all other institutions would be measured.

Thank you for this opportunity to testify on this important subject. I look forward to answering your questions.

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[An attachment to Mr. Wiener’s statement has been retained in the Committee’s official files.]

Chairman BOEHNER. Dr. Law.

**STATEMENT OF DR. WILLIAM D. LAW, PRESIDENT, TALLAHASSEE COMMUNITY COLLEGE, TALLAHASSEE, FLORIDA ON BEHALF OF THE AMERICAN ASSOCIATION OF COMMUNITY COLLEGES**

Dr. LAW. Good morning, Chairman Boehner. Ranking Member Miller, Members of the Committee.

My name is Dr. William Law, and I am President of Tallahassee Community College in Florida. I am here today representing the American Association of Community Colleges, which commends the Committee for convening this hearing to address the important issue of student graduation rates.

Attainment of an associate degree results in significantly increased earnings compared to those who only hold a high school diploma. It opens up job opportunities and provides further educational opportunities, as well. For these reasons community colleges place an emphasis on graduation.

At the same time, we recognize that not all community college students will receive a degree. Some student goals will be met by attaining a skill certification in fields such as information technology or bio-manufacturing, important support for local employers. Others will leave school once they have been able to get or keep the right job.

Some students who may have been encouraged to attend college by our open door, may have transferred to another institution before graduation. And some may have withdrawn because they have found their nonacademic responsibilities overwhelming, or simply could not finance college.

We believe that our investment in all of the students is worthwhile. Like many other community colleges, Tallahassee Community College has an aggressive program designed to encourage graduation. We monitor students closely along their entire educational course. This begins with a strong comprehensive diagnostic testing, strong orientation before course selection begins. This early intervention helps us to accurately place students often into remedial courses. As students move through their program, we intervene intensively. If they withdraw from more than one course, the pattern of withdrawal correlates highly with persistence.

Little things matter. At Tallahassee Community College we found out that with very little effort, we can put the students picture on the class roster. They will get an ID card, we simply cross-walk that to our class rosters. Faculty members have name and student picture on the first day of classes.

Tallahassee Community College is also involved with an ambitious Lumina Foundation grant targeted at colleges with high numbers of minority and/or low income students. The grants' goal is to identify the optimal services to help students graduate.

There's a strong emphasis on institutional change, integration with existing state policy, and a widespread dissemination of results. The American Association of Community Colleges also partners with the American Association of State Colleges and Universities on a similar Lumina Foundation grant called Access to the Baccalaureate Degree.

Congress too, has a critical role to play in helping college students graduate by providing adequate amounts of need-based stu-

dent aid. Federal student aid represents more than 70 percent of all aid available, and there is no substitute. The growing disparity in graduation rates between low income students and more affluent ones is to a large degree financial. The relatively low graduation rates of certain ethnic minorities reflect their economic status. We urge Congress to do its part to help students.

Mr. Chairman and Members of the Committee, let me indicate that I have been a president for—I am approaching my 16th year as a president, 8 years as a senior vice president. I have never had a discussion with a board of trustees that said let's raise our graduation rates because we can get more Pell Grant support for students. Our focus is in—has always been on the lowest tuition rate so that the most students could access our systems.

Let me add that good data on how students progress through the higher education system is lacking. Better tracking is needed, and we urge Congress to explore this option.

Congress could also help 2-year and certainly 4-year colleges develop more articulation programs, Florida being a model in this area. And we would suggest that these articulation programs along the lines of legislation introduced by Representative Wu, could be very helpful.

H.R. 4283 does not do as much as it should to enhance college graduation. Setting aside whether increased authorization ceilings could lead to aid, the bill does not support institutions in providing services for at-risk students to stay in school.

I am a firm believer that a community college student who says "I would like to go to college" is often saying, "I hope I can afford to go to college." In fact, the legislation would at times reduce ability to help our students through the inclusion of the single definition of "institution of higher education." For community colleges this is highly important. Therefore, we look forward to working with the Committee to improve the bill, whether in this year or next year's Congress.

Thank you for giving me the opportunity to testify, and I'm pleased to answer any questions.

[The prepared statement of Dr. Law follows:]

**Statement of William D. Law, Jr., President, Tallahassee Community College, Tallahassee, Florida on Behalf of the American Association of Community Colleges**

Good morning Chairman Boehner, Ranking Member Miller and Members of the Committee. My name is Dr. William Law and I am President of Tallahassee Community College in Florida. I am pleased to be here today to represent the views of the American Association of Community Colleges (AACC) on "Increasing Graduation Rates and Improving Student Outcomes." AACC is the national voice for the nation's 1,173 community, junior and technical colleges.

Before I begin my testimony, let me provide a few statistics. Community colleges enroll more than 6 million credit and 5.5 million non-credit students each year. This includes 45.9% of all undergraduate African American students in American higher education, and 56% of all Hispanic-American students. The colleges enroll 48.6% of all first generation college students. We proudly think of ourselves as being the "Ellis Island" of higher education. However, our colleges are undergoing a difficult period of sharp budget cuts coupled with dramatic enrollment increases. In the last budget cycle, state funding, which represents 41% of total revenues, decreased overall by 2.1%. At the same time, over the last 3 years, our credit enrollments have exploded, by about 20%.

AACC commends the Education Trust for its Report, "A Matter of Degrees: Improving Graduation Rates in Four-Year Colleges and Universities." Overall, the re-

port is a balanced and thoughtful examination of the causes and consequence of college students not completing their studies. We regret the report's inattention to community colleges and its general de-emphasis of the value of the associate degree. Ignoring our more than six million college students is akin to evaluating the U.S. military and neglecting to study the Army; but, in general, the report treats a number of complex and interlocking issues incisively.

We note that those community college students who transfer to four-year colleges on average perform as well or better than students who originally enroll at a four-year school. We also note that, before conclusions about graduation rates are drawn, better data about them needs to be generated. This topic is outside the purview of AACC's testimony, but it should be an ongoing focus of the Committee.

#### WHY GRADUATION MATTERS—WHY SOME STUDENTS DON'T

Community colleges fully appreciate the importance of getting students to graduate. Attainment of a certificate or associate degree results, on average, in significantly greater earnings compared to those who hold just a high school diploma. The differential earnings are more than \$350,000 over a lifetime. Success at a community college also creates opportunities for transfer to a four-year college. Graduation also results in substantially enhanced self-esteem, as anyone who has attended a community college graduation ceremony knows viscerally.

It is commonplace for community college students to leave programs before completion because good jobs are readily available, oftentimes with the very employers who have helped sponsor a technical training program. In fact, many students enroll in our institutions with no intention of attaining a degree. With the completion of a few courses they may have gotten the skills and competencies they need to get or keep a desired job. However, while this behavior may be financially instrumental in the short-term, it is not always conducive to a student's long-term benefit, because, over time, degree attainment does matter. It matters because it provides a helpful credential valuable for its own sake and also because it often indicates that a student has gained broader skills that can help him or her learn on the job. In addition, the possession of an associate or particularly baccalaureate degree may "signal" to potential employers that, in the absence of other information on which to make a hiring decision, the simple attainment of a degree suggests that an individual is responsible, persistent, and dedicated, and would make a good employee.

Community colleges recognize that some students will not graduate. This occurs for many reasons. One, perhaps not popular in today's environment of accountability, is that the broad "open door" provided for community college students also allows for an easy exit. Community colleges have an average tuition of just \$1,905. (In contrast, average tuition at two year proprietary schools averages \$10,619.) The low community college price tag is designed to encourage people who otherwise might not enroll in higher education to attend, regardless of whether substantial student aid is available. Such students include recent immigrants with little English proficiency, those needing large amounts of remedial coursework, high school dropouts of long ago, or those who simply have been intimidated from staying in the classroom.

Serving educationally at-risk students is a central part of community colleges' mission and we embrace it. Do we consider those students who enroll but do not attain a degree "failures"? As a rule we do not, because we know that these students have tangibly benefited from the education and training they received at our colleges for starters, they earn considerably more, on average, than high school graduates. Obviously, these students' economic prospects have been enhanced by graduation, but the beauty of the community college is that it will be easy for them to enroll if and when they decide they are ready for more study.

In some respects, higher education is a victim of its success in dramatically increasing the percentage of high school graduates and others now enrolling in post-secondary education. These new students tend to be "non-traditional" students. By definition, they are older than traditional students, and more likely to work, live off campus, and have family responsibilities. Common sense and extensive research suggest that all these factors make it less likely that these individuals will graduate, in comparison to the "traditional" student. Part-time enrollment is particularly correlated with lack of degree attainment, and, of necessity, nearly two-thirds of all community college students attend on a part-time basis. In addition, more than 80 percent of all community college students work at least part-time. Almost 30 percent of full-time students also work full-time. For many of these students, their job must come first.

Often lost in the discussion of institutional graduation rates is a focus on individual students. These students are agents their own destiny, and know best whether they are committed to doing whatever is necessary to graduate from college.

#### TALLAHASSEE COMMUNITY COLLEGE ACTIVITY

Tallahassee Community College is dedicated to encouraging college completion. Our college has designed and implemented a comprehensive system to realize this goal. Students are tracked continuously from before the time they begin their coursework, when diagnostic tests are administered. If a student begins to show signs of potential failure, appropriate intervention is undertaken. We become particularly concerned, and actively engaged, when students drop more than one course during a term. This pattern is highly correlated with a subsequent withdrawal from college. Alternatively, students who do not drop courses are extremely likely to persist.

Also, the Federal Title IV “standards of satisfactory academic progress” play an important and positive role in focusing our college on the educational progress our students are making.

#### SOME COMMUNITY COLLEGE ACTIVITIES DESIGNED TO FOSTER GRADUATION

##### *Helping Community College Students Attain the Baccalaureate Through More Seamless Systems*

With important support from state and local government and other sources, community colleges across the country are striving to help their graduates enroll in four-year colleges. Florida has an elaborate common course-numbering system that includes four-year colleges and proprietary schools. Courses must undergo an extensive evaluation and approval process before they are assigned to a particular category. Wyoming, Connecticut, and Colorado also have common course number systems. These systems facilitate easy movement between institutions. A number of other states have guaranteed articulation between two- to four-year colleges.

State-wide systems such as those just described would be more common if institutional “turf” considerations did not at times impede progress. Transfer is also impeded because generating large-scale, cross-institutional cooperative academic efforts is very time-consuming and, hence, expensive. Hundreds of man-hours are involved. Consequently, institution-by-institution articulation agreements are more common. Many examples could be given; two include the direct transfer guarantee that Lord Fairfax, and Rappahannock, VA, students get to enroll in Mary Washington College, and a similar arrangement between the Community College of Baltimore County and the University of Baltimore.

With support from the Lumina Foundation for Education, AACC has been pleased to partner with the American Association of State Colleges and Universities (AASCU) on the “Access to the Baccalaureate” Initiative. These two organizations represent the vast majority of public postsecondary educational institutions. The 18-month initiative is designed to identify and suggest remedies to non-financial barriers to attendance and persistence in college, with a focus on enhancing transfer between two- and four-year institutions. The final recommendations will be mailed to institutions, state systems, and policymakers soon. We will provide a copy of the findings to the Committee.

##### *Increasing the Graduation Rate of Low-Income Students*

Also with the support of the Lumina Foundation, AACC, along with a number of other partners, is in the midst of a major new initiative called “Achieving the Dream: Community Colleges Count.” The initiative has a goal of increasing success for the growing number of students for whom community colleges are the point of entry into higher education, particularly low-income students and students of color.

Eligible colleges had to have at least 33 percent minority enrollment, or at least 50 percent first-time, first-year Pell Grant recipients, and be located in Florida, New Mexico, North Carolina, Texas, or Virginia. States were selected on the basis of a central commitment to achieving the goals of the initiative. TCC is one of the colleges that has been selected to participate.

The goals of Achieving the Dream are ambitious; after four years, it is expected that colleges will show improved success rates for low-income students and students of color, and that those success rates will continue to increase over time. An increased percentage of low-income students and students of color will hopefully:

- Successfully complete the courses they take,
- Advance from remedial to credit-bearing courses,
- Enroll in and successfully complete gateway courses,
- Re-enroll from one semester to the next,

- Earn degrees and certificates.

Achieving the Dream funders and partners believe that data analysis is fundamental for effective institutional decision-making. Although colleges collect and report a wide-range of data for institutional management, as well as to meet the requirements of state and federal governments, and accreditation agencies, too often these data are disconnected and underused. Achieving the Dream colleges will use data on student outcomes to diagnose areas that need improvement, generate the institutional will for change, and assess the impact of the changes on students. College teams will develop a “culture of evidence,” using data to mobilize broad participation, to guide and assess their actions, and to shape policies and practices that support students’ successful academic and career attainment.

Achieving the Dream expects to foster change within institutions and in state policy. The initiative also seeks to increase knowledge about policies, programs, structures, and services that increase student success and to increase public support for raising postsecondary attainment levels. We do agree with the Trust report, however, that many of the necessary tools are known, lacking only the will and necessary resources to be implemented.

#### WHAT CONGRESS CAN DO TO INCREASE GRADUATION RATES

In addition to state and institutional actions, the Federal government has a critical role in helping more students graduate. The Federal government should:

1) Provide More Student Financial Aid. Probably the most important thing that Congress or any party can do to help more students graduate is provide larger amounts of student financial assistance. The Committee is well aware of the lingering disparity in college access and a growing disparity in degree attainment between students from lower and those from more affluent income backgrounds. These stark disparities are morally unacceptable and represent a severe impediment to the nation’s continued economic vitality. Federal student financial aid represents over 70% of all student aid and there is no substitute for it.

Congress appears poised to freeze the Pell Grant maximum for the third consecutive year at a time when tuitions have risen dramatically. (No matter what is asserted, these increases are primarily due to state budget cuts, at least at community colleges.) We categorically reject suggestions that increased need-based student financial aid in any way contributes to increased community college tuitions. In fact, federal student aid represents no more than 7% of community college revenues. We urge this Committee to send a strong signal to appropriators and other policymakers that funding for need-based student aid must be increased.

We commend the Trust report for pointing out that, in higher education, there is a strong overlap of students coming from low-income and underrepresented minority backgrounds. Colleges are often criticized for the low graduation rates of minority students when in fact the experience of these students simply reflects the college graduation rates of students coming from comparable income and educational backgrounds.

2) Encourage Better Tracking of Students. Although we agree with the Trust that a federally mandated tracking system for the entire postsecondary education system is not called for at this time, Congress should examine options by which the postsecondary education system might better monitor the educational course of students over their college careers. This would include transfer between institutions, concurrent enrollment at two or more institutions, enrollment in a community college after attainment of a baccalaureate degree, etc. We believe that the Trust report underemphasizes the inadequacy of current data reporting systems. In some states, community colleges know immediately when their students transfer to a four-year college. In other cases, they hear nothing. This patchwork system of tracking students is a major impediment to fully understanding how the postsecondary system is operating. It also makes our colleges appear much less effective than they are in fact.

3) Help Support Transfer Between Two- and Four-Year Colleges. Along with the American Council on Education, the National Association of Independent Colleges and Universities, and other associations, AACC has asked Congress to create a new program in the HEA that would provide assistance to institutions and states that would like to develop articulation frameworks, primarily between two- and four-year colleges. Development of these agreements is a time-consuming and expensive process, and federal assistance would be beneficial. While these frameworks have already been generated in some states, they probably won’t be widespread without Federal support. AACC was pleased to see the introduction of H.R. 1871 by Representative Wu, and supports its passage, with modifications.

## DOCUMENTING EDUCATION AND EARNINGS—AN IMPORTANT STATE ROLE

One of the exciting ways in which states are helping our colleges better evaluate their effectiveness is in anonymously matching state unemployment insurance wage data records with student identifiers, so that “before and after” comparisons can be made about the economic returns of participation in higher education. Such systems have been established with differing degrees of comprehensiveness in Florida, Maryland, Illinois, Texas, North Carolina, Washington, Wisconsin, and California. While there are limitations on the utility of this data, they remain an enormously rich and cost-effective way of shedding light on the effectiveness of various college programs. This activity gained momentum when the 1998 Workforce Investment Act required states to make available UI wage data records in order to enable institutions to better track job training program performance. Regrettably, this framework has not taken hold across the country, in part because of what we believe are unfounded privacy concerns. These delays are a major source of frustration for many of our colleges. Nevertheless, we expect this trend to continue.

In summary, while community colleges will continue to strive to meet their missions by serving many of the hardest-to-serve student populations, they are acutely aware of the need to achieve higher graduation rates. That is why AACC is actively involved in two major initiatives to achieve these ends. And we ask Congress to do its part, as well.

Thank you for your attention to these comments. I look forward to responding to any questions that you may have.

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Chairman BOEHNER. We thank all of the witnesses for excellent testimony. And I may also thank my colleagues for their willingness to show up, and to learn more about this graduation gap that we have seen in American colleges and universities.

Mr. Wiener, you made a pretty compelling case that there is a problem in graduation—the graduation gap between institutions. You didn’t spend a lot of time talking about why.

Why is it that some institutions, as you pointed out about four of them, have high graduation rates and others don’t. Is there a single factor?

Mr. WIENER. I don’t think there is a single factor, and I think that we need to distinguish between factors that are within the control of institutions, or that we would want them to control, and factors that are not.

Some institutions serve a—are more selective about the students that they accept. They have a lower percentage of students with financial strains. Those institutions, by and large, have high graduation rates. What we have looked at is comparing institutions that serve very similar students, and have noticed that some institutions distinguished themselves.

I think one of the things that we know is, frankly, right now we don’t know enough about what those institutions do differently. That’s in part because we haven’t had enough good data to really know which institutions are doing a lot better. But is also because the culture of higher education, both in policy and in tradition, has not really prioritized knowing which institutions those are, and learning from them.

There are some promising practices under way, I would point to NSSE, the National Survey of Student Engagement, which is looking at studying the connection between institutions that have higher graduation rate, and what those institutions are doing. And what they are finding, is those institutions have more engagement between students and faculty, as Miami of Ohio suggested, has been important in their success. As well as, more engagement in the community of the college, generally. More writing assignments,



more collaborative assignments involving multiple students. A number of factors that get students more engaged in their learning.

And I just wanted to sort of preemptively, there's been a suggestion that to focus on graduation rates would encourage institutions to lower their academic standards. I don't think that there's any indication that the institutions that we've identified, who have distinguished themselves, have done that. And the surveys, the research that there is, suggest that institutions are doing better, are in fact doing it by focusing on teaching and learning.

Chairman BOEHNER. Dr. Lingenfelter. What do you think the difference is between schools and this big difference in graduation gaps?

Dr. LINGENFELTER. I'm very impressed with Education Trust's work on this issue. I think many of institutional factors that they talk about must make a significant difference. My guess is that there is probably some other issues involved. There are some colleges that are legitimately stretched for resources, and it is very difficult to improve when that is the case.

But, by and large, I think the whole culture of higher education in our generation has shifted from one that emphasizes selection as a means of determining quality, to one where we really understand the need to get a much larger portion of our people educated to a higher standard. That takes a change of mind set, and it's going to take some changes in the way that we do business.

Chairman BOEHNER. Dr. Nault, what are the factors in Miami's success, in terms of this high graduation rate was the engagement of full-time faculty in actually teaching. Are there other factors that you believe make Miami successful?

Dr. NAULT. We have been—at Indiana University—Indiana University's trying to fill in some of these gaps in knowledge that we have. They have selected 20 institutions across the country that have this really very effective consequences for their students.

And one thing that really strikes me about that study is that the institutions are very, very different. In other words, you have small Catholic institutions, you have large research institutions, their very different. But somehow, within their traditional mission, they have found a way with their community, and with their students, to be more effective. And the study is trying to unravel that, and it is very complex because they are very different sorts of places.

I would say, we have said that our bread-and-butter, what we need to focus on is the education of undergraduates. And sometimes I think that some institutions become too broad and their purposes and their missions. And we have said, we need to stick to our bread-and-butter. That works for us. That works with clientele that comes from us.

And we try to do a lot of things. You've been on our campus, and as you know, the scale of our campus is very different than many campuses. Even in building of buildings, we've tried to keep them small, to put the student at the center of the experience. And that is a decision that is related to that fundamental commitment. But what fits Miami doesn't fit all institutions.

Chairman BOEHNER. Mr. Wiener, one last question. In your testimony, you talk about accountability by institutions should be seen

as a responsibility not a choice. You want to elaborate on that for a moment?

Mr. WIENER. Well, I think it goes back to my remarks and to the remarks of Dr. Lingenfelter about we really do need to have a change in culture. There needs to be an acceptance of the responsibility that institutions have a responsibility to students that they admit to do what they can, to support those students and to help those students graduate.

And it's very important to those individual students themselves, many of whom will have taken on a debt burden that they are then expecting the rewards of a college degree will help them pay off.

But it's critically important for society as a whole, as well. We need more college graduates. We will need more in the future as our population ages, and as we will need to support more retirees, and more jobs that we will want to have in this economy will require that education.

You know, one of the things of that we found is that several high-performing institutions showed up in North Carolina. I don't think it's a coincidence that North Carolina has for a number of years publicly published graduation rates, and has had a system for holding campus presidents accountable for those graduation rates.

I think we need to began to—that needs to be something on which we judge the quality of institutions.

Chairman BOEHNER. Mr. Miller.

Mr. MILLER. Thank you.

I, too, would like to thank you, Mr. Wiener, and Education Trust, for your report.

A lot of people have written a lot of words, and discussed at great length, the question of when accountability that we now see at elementary and secondary education, was going to arrive at the door step of the institutions of higher education—and may have just arrived there with your report. So we can consider this day one.

I think it's very important that we consider this question. We have been considering it in the discussions about the reauthorization of the Higher Education Act. We have discussed it in very different ways on both sides of the aisles. But, I think, perhaps your report points out some directions that we should go in and makes a critical distinction of holding institutions accountable for those things which they control, and those things that they don't.

And, I also hope that the majority will read—all of your report, including the recommendations about some things that should be done because then that would bring us very close together on part of the bill.

[Laughter.]

Chairman BOEHNER. Hey, it's your hearing.

Mr. MILLER. Now, let me point out a couple of things. One is, I think that you have got to back up, because there is another gap that's been discussed. And again, Education Trust has been a leader in the discussion of this gap, and that is those students who graduate from high school and want to go to college, and who are in fact prepared to go to college. And there is a huge gap there.

You have been a proponent, I know that in our state, of trying to suggest that a college preparatory only curriculum be available

in our high schools and that we get everybody ready to go to community college, 2-year, 4-year, 6-year degrees, wherever they are headed.

It's hard for me to think that we should be surprised by low graduation rates when 35 or 40 percent of the kids showing up at the state college system in California need remedial math and reading and writing skills. I don't know what our expectations would be about that class. I know we think that if we apply enough talent to that pool of people we get them all through graduation. But that's not the pool that you'd like to show up with on opening day in college, it would seem to me.

And so, we better continue to address that gap, because it's unfair again, to suggest that the colleges can correct all those problems with that pool of students, whether it's at community college level or not. I think that in California now we're pushing those kids back into the community colleges and saying you remediate these kids, and then send them to us when they are ready.

Well, what about the community colleges? They're going to be held responsible for graduation rates. Who remediates those kids before they get there—and that's called elementary, secondary education. So I think that point in your paper is very important, as are your other recommendations dealing with—recouping the buying power of the Pell Grant. As you know, that continues to be frozen, and I think it's about \$700 less than where it was 30 years ago.

Also there is the question of excessive subsidies in the Federal Guaranteed Student Loan Program. And to make sure that we're designing those assets, as Dr. Nault testified to target those students who in fact need that financial assistance—how do we do that?

So I think those are very good recommendations that I hope that the Committee will consider next year in its reauthorization of the Higher Education Act.

Dr. LINGENFELTER, let me ask you.

Dr. LINGENFELTER. Yes.

Mr. MILLER. At the end of the day, your report is telling us that from 1991 to 2003 there was a 2-percent increase in the total support for students in higher education combining tuition and state aid, even with the offset that you provide internally.

Dr. LINGENFELTER. That is correct. With enormous variation among the states.

Mr. MILLER. With enormous variations, enormous variations. One of those states where there is great variance is Maryland.

I guess I just have trouble thinking that you're going to solve all these problems with a 2 percent increase over a 12 year period of time, most of which a disproportionate share is being borne by students. And students—some with that one set of problems I talked about, whether they're college prepared—we know that most students are working longer to try and stay in school because they are borrowing more.

I mean this just doesn't sound like a formula for success. And we're asking apparently with the states, as you talked about on a roller coaster through recessions and recoveries. But the end of the

day, as Mr. Kildee pointed out, students are still been as to absorb a larger share of the cost of running those institutions.

One of the things we try to do in our legislation was to try and see if there was some incentives to get the state to stay in the higher education game, in terms of state support instead of what they're doing now.

Most of them have obligations to deal with Medicaid—health-care programs and elementary secondary education, so they cut higher education because they can lay it off onto the families, and they think that the families have decided, well, that's just part of the fee structure.

I don't get how you can build this institution that is going to have this high levels of graduation rates across that general board, all the variances across the country, with that kind of increase in resources.

Dr. LINGENFELTER. I would never argued that resources are, and that additional resources, are not required to get where we need to be as a nation in higher education. I think the Congress, the states, and institutions all need to think hard about their spending priorities, their investment priorities, for these goals.

I would also follow that by saying we need to use the money we have more effectively in order to get to these goals. There will never be enough money to make it easy unless the change some things in the way we do our work.

I would like to make just one other comment on state accountability, if I could. Our association established a National Commission on Accountability in Higher Education, because the states have had—had been working on this issue for more than a dozen years.

The Commission is chaired by Former Secretary Riley and the Former Governor of Oklahoma, Frank Keating, and includes several legislators. I won't take more time telling you about it, but I just want to flag that report and it will be available in November, probably. And we hope that will be useful to the Congress as you sort through some of these issues.

Mr. MILLER. Just one final point. Dr. Nault, you mentioned, you know, that your lower division undergraduates are all taught by full-time professors. I don't know if we've would, in fact, even be capable of doing that in California with the current economic support we have for higher education. We have basically outsourced those jobs to teaching assistants. And to recover that ability at our big state institutions, the universities and State colleges, I assume would cost a fortune.

Dr. NAULT. Yes, that would be very expensive.

Mr. MILLER. I don't relish, I don't like this practice at all. But, that's what has happened.

Dr. NAULT. And I think that practice does have some consequences and that we would lose some students that we would prefer not to lose.

I think again, and I want to make the point that how we choose to do it can't fit everyone. And I realize—

Mr. MILLER. No, I understand that and I am not holding you responsible for that burden. I just think as we continue this discussion, just as Dr. Lingenfelter pointed out, there are these huge

variances in financial support, there's huge variances in the types of institutions, and the student bodies of those institutions—

Dr. NAULT. Absolutely.

Mr. MILLER.—and missions of those institutions. And I'm a big fan of accountability and I am delighted that this report was issued. But I think it's going to be the implementation of the kinds of suggestions that would be helpful.

At the end of the day, and I know my republican colleagues hate to hear this, but at the end of the day in some of these institutions somebody is going to say, it's going to require substantial additional resources, if in fact you're really going to provide that kind of educational opportunity.

And, when you say over the last 12 years we have had a 2 percent increase, when you throw everything in, I don't know many of institutions of quality that have survived on a 2 percent increase over last 12 years, elsewhere in society. Or many businesses that have been able to do that. Thank you.

Chairman BOEHNER. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you all for being here today, and this is such an important issue about graduation rates. I worked on this in the state Senate for seventeen and a half years. And was constantly, as we were approving, members of boards of trustees of public colleges and universities, it was always an impetus I had to ask them as to a commitment for a 4-year graduation rate, hopefully, for undergraduates.

And so I share the interest of the Congressman from Michigan, Mr. Kildee. I announced to my children that it was a 4-year institution experience. And I in May completed my third on that, and I have one more to go.

But then there is graduate school. I didn't think of this. But I'm really proud of them. And a 4-year rate is so important to me to try and achieve. For the young people it's more fulfilling when you have a 4-year experience, I believe. Additionally, it's so crucial for families, the financial side of it. They hope that their young people will be fully participating in society. Additionally for the institutions.

I am delighted and I wanted to congratulate Dr. Nault and in the University of Miami. How extraordinary, 81 percent graduation rate. And I've seen too often, seemingly an emphasis on FTE, full-time equivalent students and less emphasis on assisting people to graduate.

And Mr. Wiener, I want to thank you for your study, and in particular to indicate—your report indicates that even when controlling full variety of factors such as mission, financial resources, test scores, and degree programs, some institutions significantly outperform others. And you have already referenced to a degree, the sister State of North Carolina, which has some requirements.

What do you attribute the success of the high performing institutions?

Mr. WIENER. Again, I think that it is likely a combination of factors. I think part of it derives from seeing graduation rates as a responsibility and a priority.

I mean, when you talk about institutions having outsourced a fair amount of the undergraduate teaching to teaching assistants, what that does is free up full professors for their independent research. I think that we want to value that independent research. But, that has been valued over the responsibility to help undergraduate students to be engaged in the university, and to persist, and to graduate. And so we have got to find a better balance between those things.

So I think, No. 1, we just simply need to make more explicit our commitment, the commitment of society. But the commitment, in particular, of systems of higher education to helping students persist and graduate. And I think part of that will then drive a number of different reforms.

It will get higher education more engaged in making sure that students get the preparation that they need before they get higher education, which congressman Miller pointed out, is certainly continues to be a challenge that we absolutely have to continue to focus on.

Mr. WILSON. Another resource that I have really relied on and found so helpful are guidance counselors. And in your study what has been done to promote guidance counseling, where you have people who are very familiar with course availability, with the requirements of degrees?

Possibly—and there are so many new opportunities now, with career counseling, where people can find their niche, not in their junior year, hopefully sooner, so that they can indeed be fulfilling in society.

And so guidance counselors really is—is there an emphasis on that now.

Mr. WIENER. Yes, we have worked very hard at the Education Trust through an initiative called the Transforming School Counseling, to try and—we have worked both with practicing counselors as well as higher education programs that trained counselors around, again really transforming counselors to make sure that they are in working with students, to make sure that students understand what kind of academic preparation they're going to need to pursue their dreams and their goals. And then to serve as advocates within the education system to make sure that those opportunities are available.

A large-scale transcript study by the Department of Education established that course taking, the rigor of a student's high school curriculum is the single most significant predictor of college success. More significant than race or socioeconomic status toward predicting college success.

And yet, that counseling is not in place in all schools. And indeed, even the opportunities themselves to adequately prepare for college are not there in all schools. So is a challenge that we definitely still need to work on, and counselors can play a big role in that.

Mr. WILSON. It's been terrific at the high school level. But additionally, once you arrive, to me it is so important to have a guidance counselor, not just a professor assigned, who would proactively give advice. And I just want, it has been my experience, very positively the guidance counselors have made a difference.

And I yield the balance of my time. Thank you.

Chairman BOEHNER. The Chair recognizes the gentleman from New Jersey, Mr. Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman. I would like to thank the witnesses for their outstanding testimony this morning on such an important topic.

I was really stunned by the fact, compelled by the fact that low-income students who start college, 46 percent of them do not graduate within 6 years. African-American students who start college, 54 percent do not graduate within 6 years. Hispanic students 53 percent do not graduate within 6 years.

And I know that dollars are not the only cause of that problem. But, I think that it is important that we understand the extent to which dollars are a cause of that problem for low-income students.

And Dr. Lingenfelter, I wanted to go back and look at the report that your organization has discussed, and you have discussed today. I'm not quite sure I understand your conclusion based upon your own data.

On page two of your testimony, you say that despite contractions during economic downturns, since 1970, state support nationally has kept pace with substantial enrollment growth and inflation as measured by CPI. This is an impressive achievement when one considers the amount of enrollment growth, et cetera.

If I understand the basic point is that state aid has been keeping up, generally keeping up. Is that a fair paraphrase of what you said?

Dr. LINGENFELTER. If you look at the national picture, the states in the aggregate, have provided resources that kept pace with inflation, measured by the CPI, which underestimates by about a percentage point a year, real inflation in higher education.

Mr. ANDREWS. OK. If I read those aggregate data in your report, you tell us first of all, that full-time enrollment, or enrollment at least is up 18.7 percent during that period, right?

Dr. LINGENFELTER. That's right.

Mr. ANDREWS. So there is nearly 20 percent more people attending these state institutions.

Dr. LINGENFELTER. That's correct.

Mr. ANDREWS. And then you tell us that the spending per FTE, in real dollars, is up 2.1 percent.

Dr. LINGENFELTER. In the aggregate, yes.

Mr. ANDREWS. In the aggregate.

Dr. LINGENFELTER. And that—

Mr. ANDREWS. Again, I understand that we're talking about aggregates here. This would tell me then that you would need about 20 percent more money to run to run your institution. If you got 18 percent more people, and you're spending 2 percent more per person. If you do the math, it's about 20.3 percent more money you need to run the institution. Is that right?

Dr. LINGENFELTER. Yes.

Mr. ANDREWS. All right.

Dr. LINGENFELTER. The—

Mr. ANDREWS. And then you tell us that state support is down 7 percent during that time.

Dr. LINGENFELTER. Right.

Mr. ANDREWS. Well, it seems to me, if your costs are up by 20 percent, and one of your revenue sources is down by 7 percent, that the only choice that you got left is to make it up in a large way from somewhere else, right?

Dr. LINGENFELTER. Sure.

Mr. ANDREWS. There are two somewhere elses. The first would be, and because we have already accounted for cross-subsidization aid institutionally, right? You have already baked and into the cake.

Dr. LINGENFELTER. Yes.

Mr. ANDREWS. So the only two places here would be the Federal Government to the Pell program, or from the student him or herself.

Now, the Pell program as we know is not seen significant growth. It is my understanding that in 1975 the Pell Grant covered like 79 percent of the average cost of a 4-year public institution. Today it is down to 40 percent. So Pell at best is sort of struggle to keep pace, which tells me that the somewhere else that's institution has reached to the students. Not surprisingly, your own report shows that net tuition has gone up by 28 percent, right?

Dr. LINGENFELTER. That's correct.

Mr. ANDREWS. So it seems that your own data say that in real dollar terms, it costs a student almost 30 percent more in tuition to go to school than it did in the beginning of your study. Don't you think that would be a pretty compelling reason to explain why low income people wouldn't be finishing as much?

I don't understand how you draw the conclusion that state aid has been constant, when it's gone down by 7 percent. When the need to run the institution has gone up by 20 percent, not surprisingly, you have a 28 percent tuition increase. So, isn't your conclusion wrong?

Dr. LINGENFELTER. I'm not drawing inferences. I'm just giving you what the numbers show, sir. And it is clear that tuition has gone up, as the data show. It's gone up more in some states than others. It hasn't gone up in every state. And it is also clear that the states have continued to make higher education a high priority. Some states have been able to do a better job of that—

Mr. ANDREWS. But it is not an inference that we're talking about, it's a statement, an explicit statement.

In your testimony, you say—

Dr. LINGENFELTER. Right.

Mr. ANDREWS.—that state aid has kept constant. But your numbers drawn from your testimony say the costs in the aggregate have gone up by about 20 percent. And the states' support has gone down by 7 percent. How does that measure up to keeping pace?

Dr. LINGENFELTER. The testimony and the numbers used two timeframes, sir. The first was from 1970 to 2003. And the point that we were trying to make, was that in the long run, states tended to regain what they loss in recessions. There's no question that in the past three or 4 years particularly, in enrollment growth has been enormous. We've had 9 percent in enrollment growth in the last 3 years. And the states had not kept up with that. That's what the—



Mr. ANDREWS. But all the numbers I've used from your testimony are from 1991 to 2003. I'm reading from the appendix to your testimony.

Dr. LINGENFELTER. That is correct. During that time period.

Mr. ANDREWS. OK.

Dr. LINGENFELTER. The point that we were trying to make, frankly, was that there are those that say that the states don't care about higher education, and that the states are pulling away from it. And the point that we—we look at the numbers and we said, you know, there's a pattern here. When you have a recession you get a spike in enrollment.

Mr. ANDREWS. Yes.

Dr. LINGENFELTER. And you get a shrinking state budget.

Mr. ANDREWS. My time is up, but I would just close by saying that I think there is a pattern here. That you need 20 percent more to run your institution. You're getting 7 percent less from the state government. I'm not saying that states don't care, but I think it means—I agree with your numbers, but not your words.

Chairman BOEHNER. The gentleman's time has expired. The Chair recognizes the gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman, and thank you, gentlemen all, for being here today and for your statements and for your answers to our questions.

The problem that were struggling with all the time, as you know very well, in this Committee how to get access for more students to attend higher education. And then once they get there how does it see that they successfully complete that education. And whether it is a 2-year institution, and I have some of those in my district, or a 4-year and I have some of those as well, I am proud to say, in the district. I would like to take just a minute, Dr. Nault, and talk to you, because you have, it seems to me, have a pretty good story to tell.

And you mentioned several things in your testimony that you have, for example, 65 percent, I think you said full-time faculty during the teaching. And I remember, it is a distant past now, as each year goes by, that in my days in college we had, sort of a pejorative term, I think we call them "labbies" who did an awful lot of the teaching.

So it seems to me that you're looking at some residents involvement, some mentoring and some other things that appear to be paying off in a better than average graduation rate.

You specifically mentioned that you develop several programs that seek to improve graduation rates, focus directly at minority students, at the gap that we're talking about. Could you just sort of run through those again, the things that you're doing to help improve that graduation rate among the minority students?

Dr. NAULT. Absolutely. And let me suggest a framework for that. I think it is not sufficient to have access, particularly for students that traditionally have been under-represented in higher education. I think you have to have a climate at the institution that once they are there, they feel it is their institution, and that they are going to graduate at the same rates.

And I think most of our institutions, I think none of us are proud of this, most of our institutions have graduation rates of students

of color, first-generation goers, are somewhat lower. And I think that one of the struggles in higher education is to try to get that gap to decrease.

We have chosen to do it with several ways. We opened a center for American world cultures that brings together all of our curricular emphasis on diversity on campus. We have all students take a course on American culture that focuses on pluralism in our society.

One of the ways we're trying to educate students across the campus, particularly students, White students, who may have not encountered difference in their backgrounds. To make that an environment that is truly welcoming.

So I think you're making an important point, it's not just access, but what is the climate students are going to have once they are there. And I think that means programs of, you know, Latino studies to African-American studies, and so forth, that really ensure that students feel that this is my place. This is my institution.

Mr. KLINE. And so the personal emphasis that you are placing through mentors, through resident monitors, I'm not sure of this right word, but attention where students live and where they work, is something that seems to be working for you. The increased use of faculty to teaching class, are some things. And those apply sort of across-the-board.

Let me flip the other side here, and I don't want this to be a sort of a war between institutions, and I understand that I am running that risk. But some other institutions have traditionally low graduation rates. And can you address why, what in your view, what are the things that are causing that.

Dr. NAULT. I want to be extraordinarily careful, because I think it is—

Mr. KLINE. As you should, sir. And as should I. But, so—

Dr. NAULT. I think is difficult to say. I would say that sometimes in higher education we have all chased issues of status, and often that is defined on research and successful programs. I think sometimes we have lost the focus on undergraduates. So for me, which strikes me about the reports that we have, is that the institutions that seem to be successful, at least in my view, is they have run very good graduate programs, and they have had an emphasis on scholarly research. And we need that for our society. But they have also said that we're not going to build that on the back of undergraduates, we are going to have that as something that complements the undergraduate experience.

And I think, you know, there is not one size that fits all. I think various institutions have done that in different ways.

Mr. KLINE. Thank you. If I could, just one more question. There seems to be general agreement among all of you that we need more and better data. Is there one of you that has a particular, a particular idea in mind for that more and better data? And I'll take it from anyone of you who is ready to jump out there. Do you have something specific in mind that would help us to address that problem.

Dr. LAW. I'll make one quick comment. The challenge is that students move among institutions. And we lose track of them.

And all the data we have, have an individual institution perspective. Some of the states have develop student unit record systems, and they have protected privacy by basically put in a screen so that you're only look at groups of students. And that kind of the system is more efficient and gives you better quality data than the ways that we have worked in the past.

It's got some challenges, they have got to be dealt with very carefully. But that helps.

Chairman BOEHNER. The gentleman's time has expired. The Chair recognizes the gentleman from Michigan, Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

Question for Dr. Law. One of the first higher education bills introduced in this Congress was a bill that some of us called "price controls on tuition." Do you believe, or is there in your opinion, a relationship between increases in student aid and higher tuition?

Dr. LAW. I think that probably data can be shown, there's always some relationship. I think we understand that. A great number of students do get aid. And in a large measure community college, certainly, that assists a great deal.

Go back to the point I made. I have now made almost 25 recommendations annually to boards of trustees for tuition. I have never been party to a discussion that said, we can raise it because our students are—Pell will take care of this, or those kinds of issues.

I will tell you, Mr. Kildee, in Florida for the first time though we're seeing that discussion, because we have 800,000 students on the Florida prepaid program. And indeed the only brakes on the system. I'm giving you my own personal view. The significant brake on the system of ever higher tuition, is that it will break the back of that system. They can no longer project. Your child is born, and you pay a certain amount, and you get guaranteed tuition when that son and daughter is ready for college. So we're seeing a variety of intersections.

For community colleges the reality is low tuition makes the difference. And if at our institution some 7500 of 12,000 students get Pell aid. I would no more make the recommendation that we could raise tuition because Pell would pay for everybody, that's just not simply what I would do.

We're mindful though the 7500 of our students must get aid to cover any increase that we make. So, I'm sorry. For community colleges it is not quite as direct as I think it probably could be elsewhere.

Mr. KILDEE. On the other side of that coin, is there a relationship between state funding cuts and tuition increases?

Dr. LAW. If you will, my experience is different. I was in three different states over the period covered by that study.

In Florida is very clear. After September 11, with the very significant downturn in our tourist economy, all of us struggled to try and keep a modicum of finance support under students. And we did, in fact, shift some costs from the state to the students. I will tell that for a community colleges in the budget the just started July 1, due to the leadership of our Governor, we turned that down for the first time now and some 5 years. But there is. We clearly

went from students paying about 25 percent of their education, to students paying about 34 percent of their education.

Mr. KILDEE. Thank you, Doctor.

Dr. Lingenfelter, your report predicts that funding for higher education will recover in the future. What about certain structural forces that out there, such as the underfunding of K–12 education, particularly with “No Child Left Behind” which puts a heavy demand upon state government. Medicaid which is putting a terrible burden on state government now.

The fact that state tax systems are generally not keeping pace with growing demands. How do you feel that the higher education will recover in the future with those structural factors.

Dr. LINGENFELTER. I think those are serious issues. And our report didn’t make any predictions about the future. We observed that it has recovered in the past. I think it is important that states find a way to have it recover in the future, because of the priorities we have been talking about today.

Mr. KILDEE. And the issues that you mentioned are very real.

Dr. LINGENFELTER. They are real.

Mr. KILDEE. We have probably not passed a more intrusive K–12 bill in the history of the country, because you really reach into individual schools, and require the states to restructure and reconstitute schools. K–12 education is going to be a heavy financial burden, alone.

So if your report is correct, there are certainly some ominous signs from the past that will affect the future as to the legislature being able to fund higher education.

Dr. LINGENFELTER. I would say, sir, that the intent of our efforts to improve education performance is urgent, and we need to find a way to do that with accountability mechanisms that are sort of tailored to good educational practice.

I don’t think we have solved that problem in the Nation yet. I think we’re still working on it. The Commission that I mentioned earlier is going to try to sort of draw from the experience of the states, and make some recommendations that I hope this Committee and others in the Congress will find useful to deal with that very issue.

Chairman BOEHNER. The gentleman’s time has expired.

The Chair recognizes the gentleman from Texas, Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman.

I’ve been in this Committee now for almost a couple of years. And one of the things I have discovered is that all solutions involve money. In fact, it seems that money solves every problem in America today. But I have some questions that I think don’t involve money.

I have a son who is a teacher and a coach, and I also taught high school, seniors in high school and Sunday school for 22 years. I’ve seen lots of kids come and go, all kinds of kids, and I have talked to them a lot. And they have frustrations with the universities that they go to in Austin. It’s not one or two, it’s all of them.

One of the frustrations that kids run into is that they were all degreed. We’re talking about—and my dad told me it is 4 years or die, and I graduate in 4 years. Even though at that time everybody

said it was four and a half years to graduate. Now we're in numbers of 6 years to graduate on a 4-year plan.

Well, one of the questions that I hear from kids constantly at the junior and senior level in college is I have requirements that have to take that are not offered. I can't get the sections to be offered. So I don't have any choice. I have to continue school for another semester or two semesters because they're not offering the sections that I need that are required for my degree plan. To me that's something that we ought to be talking about the universities are doing to solved that kind of problem.

And the second tier of that problem is, and when I go to seek help there is a section in my university which is involved in helping me, and I get to stand in line for about 8 hours to get to see that counselor. And that's not acceptable to them. And a lot of these kids, especially if they're struggling, borrowing the money, need to go to work, they just say I'm dropping out this semester, and I'm going to work, and they never get back. And I can name at least a half a dozen that I taught in Sunday school, and that is exactly what happened to them. They got frustrated with the system. They said, why should I hang around and take courses that I don't need just to stay in school. I'll drop out and get a job and come back, and they never get back.

It seems to me that the students are your customers. You're in the business of educating undergraduate students. None of the universities, the 4-year universities would—six-year universities, would exist today as graduate student schools only. Now as you say, the undergraduate students should be the target first, and then the graduate schools.

So what can we do to encourage universities to take care of making sure that offer what kids need so that they can, if they are industrious, and graduate within a reasonable length of time.

And the second question that I have is, we seem to be coming more and more to the government, the Federal Government, seeking us to create accountability. I understand and I am for accountability, very much so for accountability. And we have imposed accountability on our elementary schools, and our high schools, and we're continuing to impose that.

But these folks, you people are, they're paying you money, you're their customers. Why should we have to impose accountability on you. Why shouldn't you impose that accountability in order to keep your customers, and if you don't why shouldn't there be something put out that this university won't help you. And the kids won't go there, and you will go broke. Because somehow, I don't want to be on the school board of every major university in the entire country, sitting up here in Washington. I would like for the schools to be responsible to these kids.

So there's my speech and my questions. Does somebody want to answer them? Dr. Nault.

Dr. NAULT. If I could, let me start. I think for students to not get courses that they need is unconscionable. I think you're absolutely right. I think sometimes that occurs when students don't make very good plans. But I think if a student, in good faith, makes good plans with counselors, that should be available. So I don't have no disagreement with you there.

I think what is happening is there is a trend nationally. I think students or parents look to colleges and they look at how difficult it is to get into the institution. That often determines prestige. But now, as my colleagues here have mentioned, we're looking more and more and saying, we need to be more public, more open.

And I think it has to be data that is understandable to parents. I think that we can drown parents with lots of data and lots of statistics. I think it has to be fairly clear. But now, we're more saying, what is exactly happening to the student when he is there. She is there.

Mr. CARTER. And one of my concerns is it's frustrating to a kid who comes from a background, that background you say that generally succeeds, they get frustrated and dropped out. The kid that is a first-generation student, and maybe a minority student, that frustration multiplies 10 times for the student.

This is a new world they've gone into in which they are trying to actually function at a level which their economic resources don't allow them to function with other kids there, and that's a matter of dollars. And then to run into stumbling blocks put up by the universities, which many parents think is to create more money for the universities. Because the more that they go there, the more they pay you. And that's something that we have got to get past because it's harming our kids and they are dropping out of school. I'm firmly believe that.

Chairman BOEHNER. The gentleman's time has expired. The Chair recognizes the gentleman from New York, Mr. Bishop. He might know a little bit about this, based upon his background.

Mr. BISHOP. Thank you, Mr. Chairman.

Everything that I always learned about student retention and graduation rates suggested that retention, in and of itself, ought not to be the goal. That the goal ought to be improved institutional effectiveness, and that if institutions were more effective, improved retention would be a by-product of that. And certainly, Dr. Nault, your testimony in the experience at Miami of Ohio speaks to that.

But within that, we know from Mr. Wiener's data, income and therefore need, is a determinant of student success is measured by graduation rates. Correct?

Mr. WIENER. It correlates with graduation rates. I'm not sure, it's not a determinant, in that we have chosen in this country to distribute educational opportunities at the elementary and secondary level according to—

Mr. BISHOP. But if affluent students are more likely to graduate—

Mr. WIENER. There is no question—

Mr. BISHOP.—then non-affluent students, certainly that suggests that student need, and therefore the availability of student financial aid, is going to help students graduate. Correct?

Mr. WIENER. Yes, certainly.

Mr. BISHOP. OK. So one imperative, it seems to me, that before us as we reauthorize the Higher Education Act is to see to it that sufficient financial aid resources are available to support students aspirations, correct?

Mr. WIENER. Yes, again, I agree with that.

Mr. BISHOP. All right. So, if we take that as a given, as we now go to reauthorize the Higher Education Act, how can—what is the role of the Federal Government, or what is the role that the Federal Government can best play in encouraging or in enhancing institutional effectiveness in areas that go beyond proper support of student financial aid programs. Let me start with you, Dr. Nault.

Dr. NAULT. I would say the directions that you're already considering, and that making it fairly clear to parents and consumers, students as consumers also, what is the success of the institution given the resources that they have.

Mr. BISHOP. See, that's not the question that I'm asking. That's the end result. I mean, that's letting market forces determine whether or not students chose those schools.

Where I am going is how can we help encourage schools to do a better job of providing the educational services that they are in effect obligated to provide. Such as what you have already done. Is there a role for the Federal Government?

Dr. NAULT. First of all, I described these institutions as black boxes. And we know very little about what actually is happening internally. So I think the funding for research has to illuminate that, and also makes that assessable to institutions of higher education would be a useful source. So I would say I would start with that part.

I know people get frustrated when they say we don't have simple answers. And unfortunately, higher education is complex. And I know that we have a responsibility to make a better. But part of it is that we have to understand more what is happening inside that black box. That is why I encourage certain studies now that are going on, to say, if you look at those exceptional institutions, what's happening and then try to translate that to the administrators of those universities.

And I don't think that's the Federal Government, I don't think that's your job to tell us to do that.

Mr. BISHOP. OK.

Dr. NAULT. But I think it is to saying, this is an expectation we have, but can you use the best research that is available to improve.

Dr. LINGENFELTER. I would just add that the data that the Federal Government collects, in fact, the changes you made in 1992, to help us to define and struggle with graduation rates, make a real positive contribution. Institutions need a way to compare themselves with others. And so the data collection activities of the Federal Government are very important in improving education.

Mr. BISHOP. Mr. Wiener.

Mr. WIENER. I think one important contribution Federal policy could make is to recognize and celebrate the achievements of those institutions that are doing better. And through that, bring more prominence due to the fact that some institutions are doing better than others. I think that would create an interest in learning more about them, and it would begin a conversation within institutions, and within systems about why aren't we doing, why aren't we seeing the success that they are.

Mr. BISHOP. Dr. Law.

Dr. LAW. I would suggest that, as I was preparing for this testimony, the areas that I think that are most helpful to me, is to pay careful attention to the standards of progress for Federal financial aid eligibility. That is if you asked me who will not be at Tallahassee Community College in the future, I would look to that eroding progress in a student's plan to project who won't make it to graduation. Much more than grade-point average, I might add.

The only people with low grade-points, which generally trigger interventions to help, are those who haven't figured out the drop policy. Because if you know the drop policy, there's no reason to have a low GPA.

Mr. BISHOP. I learned that. I guess, many of us ought to be giving testimony on that.

[Laughter.]

Dr. LAW. The answer, however, the interventions need to be re-focused on students who aren't making progress, who are in fact dropping out of courses. It's a particular problem for community colleges. We are easy to get into, and we're easy to get out of.

The other that I would simply add, that I don't know is a Federal mandate, the thing that frustrates the daylight out of me, as a community college person, is what I call the insurance majors. The students who are there full-time so that they can stay on dad's insurance. And they're not prepared to take a full load, so they start dropping courses, and then we see the pattern that leads to non-graduation.

Mr. BISHOP. Thank you. Thank you, Mr. Chairman.

Chairman BOEHNER. Mr. Osborne.

Mr. OSBORNE. Thank you, Mr. Chairman, and thank you all for being here today.

I have had a little bit of experience with graduation rates, and I think that just recently that you have tried to come with some graduation rates on a national basis. And intercollegiate athletics it's been about 15 years ago that somebody came up with the idea that we're going to publish graduation rates. And so it was in the early or middle '80's that we started. And then, at the end of 6 years, we had to publish those rates.

And I am in accordance with some of the things that Dr. Nault said. What I have found, the amount of attention you pay an undergraduate, the amount of counseling that you give them, makes a huge difference. And so generally speaking, we were able to find that our student athletes would graduated about 15 to 20 percent higher than the student body. And in some places that wasn't true. But we basically said, look if you want to play on Saturday, you go to class. And these things are going to happen, and you going to see your counselor, and so on.

So I think that a lot depends on the mission of a university. If the mission is research, if the mission is the faculty needs to publish, and undergraduate graduation is a distant third, you're going to get that.

If, on the other hand, if the mission is to educate the undergraduates, that is probably what you're going to get. And so, you know, I've really been concerned because I think the most expensive thing that can happen in higher education is not to graduate students. I mean that if you have somebody go there and they eat



up a Pell Grant, and they have student loans, and their own family resources, and they are there for two or 3 years and they do not graduate, that's a horribly expensive proposition.

So, I was somewhat interested in some of things that Dr. Lingenfelter said. And you're saying that Congress should begin to make some requirements. Of course, we are seen the popularity of No Child Left Behind, where we have made some requirements. But the publication of graduation rates, I think, is one thing you mentioned was being important. And then having specific goals for improvement was important.

One thing that is going to happen now in athletics, I think, is that you're going to find that to some degree, schools are going to be rewarded for graduation. In other words the number of scholarships they can give out.

Would something like this, where you say, OK, we see they were getting more bang for the buck from Pell grants for schools that are graduating 70 percent as opposed to 40 percent, assuming then the same peer group. In other words, there are similar types of institution.

What would your reaction, any of you, be to say, OK, we will tie Federal money to performance. I know that would start a firestorm, and it would be very, very unpopular.

But my guess is that in intercollegiate athletics, if they start tying the number of scholarships you can give to how many kids graduate, you're going to see a heck of a lot of difference in terms of performance. You're going to see a lot of schools that have been paid a whole lot of attention, really start paying attention to this.

So anyway, just being interested in your thoughts. It's pretty far out, maybe. But the Pell Grant thing bothers me, because I know that we've doubled the program in the last, what 10 to 15 years—15 years, may be. But the cost of education has been going up about 8 percent a year. So, you know, it's far outpacing inflation, therefore the Pell Grant can't catch up.

And so, anyway, back to my original question, what do you think about tying Federal aid to performance.

Dr. LINGENFELTER. I would like to suggest that states that had a lot of experience trying to do that at the state level, and it gets—usually end up with some unintended consequences.

You have to do that fundamentally, but when you do it on a formula basis it creates a lot of problems. And I really don't have enough time to get into the details of that. But, it's tough to do at the state level. And I think that at the Federal level, given the differences among institutions and states, it would be even harder to get into sort of specific incentives and sanctions for institutions.

I think that there's a better way to deal with this issue, but it's a little more complicated than that.

Mr. WIENER. I would echo the caution about unintended consequences. A very important priority of the Federal investment in higher education has been around access, and making sure that more low-income students, and previously under-served students are able to get to college. And that should continue to be a very strong priority. And you would want to be very careful that consequences for institutions didn't undermine students access to higher education.

Something that I found very interesting when we were preparing this report, and then preparing for today, was to realize that when Pell Grants were initially authorized, there was a program to provide institutional aid to the institutions that served students eligible for Pell grants. And that it seems to me there could be a way to both “incentivize” institutions to educate more low-income students, and also to tie those incentives to making sure that those students persisted and actually graduated. That could be a very constructive Federal investment.

Mr. OSBORNE. Thank you. My time is up. I just want to add one other thing. That is that we did find that our African-American graduation rate, in many cases, was very equal to, and in some years exceeded. But again, it was a focus. It was part of the mission. And you certainly can “incentivize” that, as well.

And so with that, I yield back.

Chairman BOEHNER. Mr. Tierney.

Mr. TIERNEY. Thank you, Mr. Chairman.

Mr. Chairman, before I ask my questions I would like to ask unanimous consent to insert into the record a letter from Representative Jim McGovern regarding the needs of foster care youth relevant to the access to post-secondary education.

And in addition, I asked that the attached report by the Casey Family Foundation program be kept on file.

Chairman BOEHNER. No objection. So ordered.

[The material to be provided follows:]

**Letter from Hon. James P. McGovern, a Representative in Congress from  
the State of Massachusetts, Submitted for the Record**

June 21, 2004

The Honorable Howard “Buck” McKeon, Chairman  
Subcommittee on 21st Century Competitiveness  
Education and the Workforce Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Dale Kildee, Ranking Member  
Subcommittee on 21st Century Competitiveness  
Education and the Workforce Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman McKeon and Ranking Member Kildee,

On Tuesday, June 22nd, your subcommittee will be hearing testimony on access to college and a higher education. As you review the information and material presented to your subcommittee and prepare to incorporate your findings and conclusions into the reauthorization of the Higher Education Act (HEA), I ask that you focus serious consideration on how to increase access for help and funding from existing programs and incorporate into any new programs the needs of foster care youth in their pursuit of postsecondary education. I also ask that this letter, along with the recent report, Higher Education Reform: Incorporating the Needs of Foster Youth, issued by the Casey Family Programs, be entered into the record of the June 22nd hearing on college access.

As you and your subcommittee colleagues are aware, approximately 20,000 teens are “emancipated” or “age-out” of the foster care system each year. These young people have the same limitless potential and the same dreams of pursuing a higher education as their non-foster care peers. Sadly, foster care alumni are statistically more likely than the general population to face such challenges as homelessness, incarceration, and lower lifetime earning potential, especially without a college degree or vocational specialty. Youth in foster care are less likely to be enrolled in classes that prepare students for college, even when they have similar test scores and grades as non-foster care students. They are significantly underrepresented in post-

secondary programs, and they are more than twice as likely as other students to have dropped out of high school. For these reasons and others, it is critical that the HEA reauthorization pay special attention to addressing and correcting current deficiencies that limit access to a higher education for foster care youth.

Because of their tumultuous lives and special needs, a large number of foster care youth fail to earn a high school diploma. So, first and foremost, the HEA reauthorization needs to specifically recognize the needs of these students and ensure that TRIO and GEAR-UP resources are appropriately targeted at this disadvantaged population. Neither of these programs currently recognizes foster care students as a priority population, and because these young people are often moved from one school system to another, services are often interrupted or discontinued. Further, the HEA should include a study, perhaps conducted by the General Accounting Office, to study how to expand the concept of "ability to benefit" from a higher education to increase the number and access of young people who are aging out of the foster care system who are struggling to develop the skills and education required to earn their own independent living.

Foster care youth are also particularly disadvantaged in seeking student financial aid to help finance a college or postsecondary education. It would be very helpful, therefore, for the Advisory Committee on Student Financial Assistance to provide recommendations for expanding access to foster care youth to federal student financial aid. Such recommendations need to consider guidelines for high school counselors and social workers on how to better disseminate information on student financial aid to foster care students and how to improve the current financial aid system so that it is more sensitive to the unique and difficult "home" situation confronting foster care youth.

I believe it would also be helpful if the subcommittee could recommend improved coordination between the Departments of Health and Human Services (HHS) and Education in advising high school counselors, TRIO program coordinators, financial aid counselors and other relevant officials about HHS Chafee Education Vouchers and how this program might benefit students in foster care in financing their college education.

Education and the Workforce Committee Ranking Member George Miller has introduced legislation, H.R. 4003, the Foster Opportunities for Success Through Higher Education Reform (FOSTER Act), which provides straight-forward, cost-effective remedies for many of the issues raised in this letter. I urge the subcommittee to include its provisions in the HEA reauthorization in order to improve the ability of foster care youth to attend and succeed in higher education.

More than most Members of Congress, you and your subcommittee colleagues know how important a college education is for achieving life-time economic success and social stability. I hope you will keep these modest proposals in mind as your subcommittee deliberates on how to decrease the disparities that limit access to college, including those that limit access for foster care youth.

Sincerely,

James P. McGovern  
Member of Congress

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[An Attachment, "Higher Education Reform: Incorporating the Needs of Foster Youth, Casey Family Programs, the Casey Foundation", has been retained in the Committee's official files.]

Mr. TIERNEY. Thank you, Mr. Chairman.

Dr. Lingenfelter, on your report when you talk about tuitions and the effect of states with them, did you study also fees? Do you count them as part of the tuition or as a separate matter, or take it into account at all on those?

Dr. LINGENFELTER. Our definition included all mandatory fees. It wouldn't include things like optional healthcare, or dorm fees. But any mandatory fees is included in that definition.

Mr. TIERNEY. So, if you had an instance where tuition monies went back to the state government coffers, but fees were kept on campus. And as things went on you found campuses increasing the fees but letting tuition stay the same or go down, that is factored into your report?

Dr. LINGENFELTER. Yes. We considered both.

Mr. TIERNEY. Good. Thank you.

You talk, in the course of your testimony, about a higher education cost index. And I would like you, if you would, you offered to go into a little more into the question and answer, and I would like you to do that, if you would.

How does that differ from inflationary figures, the regular cost-of-living index and things of that nature.

Dr. LINGENFELTER. The biggest expense higher education has is hiring talented people. And so, we have constructed the higher education cost adjustment using two factors. One the Federal Employment Cost Index for white-collar workers, for 75 percent of the cost, which is what higher education spends on people. And 25 percent, the gross domestic product implicit price deflator, which is just sort of a general measure of inflation for non-personnel costs.

Between 1990 and 2002, the CPI went up 40 percent. The current, the per capita income, in the country, went up 58 percent, which shows that people were making more money and we had to pay more. The higher education cost adjustment figure we had went up 49 percent, which is basically substantially more than the CPI, but didn't reflect the total gains in per capita income during that very prosperous period. Just to give you an example of how it works.

Mr. TIERNEY. In addition, to the costs for employment, did you also take into account the educational institution's need for security costs?

Dr. LINGENFELTER. We can't get to that level of detail, and so the answer is we did not.

Mr. TIERNEY. All right.

Dr. LINGENFELTER. We basically, it's a very—it's a simple formula. It could be fine-tuned, but the answer is, no, we don't have any estimate of security costs.

Mr. TIERNEY. But the reason that I press on that, and Dr. Law you may want to add on this, too.

It seems to me that if we just use the regular inflation index, we are really putting institutions at a disadvantage, in that they have a number of other issues. The costs of employment being one, security being another, the high cost of energy being yet another, that may not be factored into the regular household index.

Are we going to be able to have any type of a system where we give incentives or penalize institutions, unless we can get the right adjustment on that. If we just tied into the cost of living, I think that we are doing them a disservice. But can we actually do the work to determine what the differences are in the higher education level.

Dr. LINGENFELTER. I don't think that there is a perfect index out there, and I can't imagine how you would get one. I think this is the kind of issue that you just have to be debated.

Mr. TIERNEY. Dr. Law, you have any feelings on that?

Dr. LAW. Mr. Tierney, I think you get to the sort of unintended consequences. As those of us at the top have to present a budget, what we do is we balance the interest.

So we're back now to the mix of full-time permanent instructors, and part-time instructors. My costs will go up the same. My mix

of those two critical factors will change based upon the available funds or projected funds.

So you see what I'm saying, I don't know that we can get to that level and make a prediction. But I will tell you that's what's happening below the scene. In many cases when budgets get tight is we shift that mix.

Mr. TIERNEY. OK. Dr. Lingenfelter, did you do any studies, as your group the State Higher Education Executive Officers, have you done any studies about the effect of costs on state institutions and the shift in full-time faculty to adjunct faculty?

Dr. LINGENFELTER. We have not done a study on that issue. I have read others, and I know that it is a national trend.

Mr. TIERNEY. So it's more than just anecdotal itself, that we could easily document.

Dr. LINGENFELTER. I couldn't easily document it. But I know there are states out there that have documented that issue, yes.

Mr. TIERNEY. Thank you. I noticed that my time is up. Thank you, Mr. Chairman.

Chairman BOEHNER. Thank you.

I get a little frustrated with this whole issue of graduation rates. I was on the school board for a number of years, and it was a problem at the high school level, because kids would leave and go to another school. And we didn't ever really know—really get a handle on dropout rate. And I don't know how you are measuring graduation rates.

How do you measure graduation rate in your school, Dr. Nault?

Dr. NAULT. We measure it in a very straightforward fashion, did the student arrive in the fall? You know, then 6 years later did he or she graduate. So it is—

Chairman BOEHNER. So you keep track on an individual student basis?

Dr. NAULT. Yes.

Chairman BOEHNER. So, some way your track every student, and your report is, if they graduate within 6 years.

Dr. NAULT. Yes.

Chairman BOEHNER. And in my case were it took 30 years, what happens?

Dr. NAULT. As long as you finish, that's the major thing.

[Laughter.]

Chairman BOEHNER. How do you keep track of your graduation rates, Dr. Law?

Dr. LAW. I need to say, I think we do it looking backwards, to say of those who graduated what was the pattern that got them to graduation. The student presents at the front door, and quite frankly, for many community college students, they simply don't—they have no familiarity or background. If you're on the school board, you understand this very well, as to what their hopes and dreams really are. They know they have to be in college. You know, I'm frustrated. The first thing that we say to them is do you want an AA or an AS degree? And what they want is to get their basics taken care of.

Mr. Chairman, I am not trying to be flippant. It's very difficult at community colleges. I think that the only way that I can measure success is does the student pass every course therein. If they

do that the pattern at the end will be much better. And I can bring resources to bear to make sure that a student succeeds in a course that he or she is in. I can recruit faculty, and I can recruit staff to help. But I will tell you trying to project with a graduation rate is, I don't know that I can do that. I can only do the sub-pieces to it.

Chairman BOEHNER. Dr. Lingenfelter.

Dr. LINGENFELTER. I'm not at the institutional level. So I don't have a direct answer to your question.

Chairman BOEHNER. But the schools that you—

Dr. LINGENFELTER. Basically—

Chairman BOEHNER.—leaders of the schools that you represent?

Dr. LINGENFELTER. The schools that we represent are all over the country. And so anything that happens—what I would say is, would be the best way, would be if we had a system that would identify when a student entered school, and could tell what happened to them, no matter what institutions they went to, over a period of time in-state, would be one big step forward.

We also have cross-state migration, which is one other issue that I would—I would settle if we could, within the states, find out what happened to a student, you know, and find out which institutions contributed to that student's success on the way. Because in many cases, the data we have from smaller studies is it's often three or four institutions.

Chairman BOEHNER. I have a son who has just graduated from college, and he went to four institutions. And it took some years for him to do it, but he did it. And my mother took 30 years.

Dr. LINGENFELTER. Well, I know that there are also students that come, especially in community college, who don't even plan on graduating. They come to take a class, or they come to learn about a subject. And they might do very well in that, and then move on. And they might be a great success, because that's what they wanted to achieve.

So, I am not sure we should be beating ourselves with, switches, if we don't graduate every single student. I understand that if they don't graduate there is a financial loss to them, or if they do graduate there is a financial gain to them.

But, you know, I'm not sure that everything in his life should be measured financially. It seems like that is what we do. But, I'm not sure that's the best, that's totally the best measurement.

Chairman BOEHNER. I guess we could give everybody a number, kind of like, maybe a Social Security Number, and then we could track them by that. But I know that we have people that have great concerns about being tracked, though we are all tracked. And there are no, I guess, there really isn't much privacy around anymore.

But, if that's a measurement, we could probably come to that. I guess there are lots of different ways, though, to measure effectiveness. But it really comes back to individual teachers, in individual classrooms. It's very interesting, the discussion that we've had today, of teachers in the classroom that are not teachers. They are grad students or somebody filling in. But the actual professors, I guess in many places, are not teaching.

And I started to remembering back to my education, which was a long time ago. And about every class that I had was taught by the teacher of the class. I guess we've come a long ways, or maybe that's not what we want to do.

I'm sure that in the community colleges, you're taught by the teachers.

Dr. LAW. And we pride ourselves on that.

There is a benefit in many of our associate or workforce programs to have, to bring in practitioners to assist in the development of curriculum. But it becomes particularly problematic if those ratios fall, certainly below the levels that we're talking about, 65/35. You simply can't do the kind of quality-control that leads to stronger graduates and more well-placed employees.

Chairman BOEHNER. Thank you. Ms. McCarthy.

Mrs. MCCARTHY. Thank you, Mr. Chairman. And I thank the panel, it's been very interesting. And I think each and everyone of you, at one point, have talked about those students when they first go off to college, whether it's a community college or whether it's a 4-year university, on how many of them certainly are unprepared. Certainly those are coming from the minority schools.

I have a school back in, unfortunately, I have several schools in my district that historically have never done well, to the point of where one school has actually been taken over by the state a number of years ago, and the school still did not improve.

So, I basically am going to go a little bit differently, because I started working with a program called Project Grad. And it is a private-public institution where we ask our businesses, basically to get involved into the school, guarantee these kids a scholarship. But more importantly, give these kids hope. But more importantly than that, go to the basics.

We started this program 3 years ago. I have gone on what they call, Walk for Success, meaning that I go door-to-door. I talked to the parents and say, they have to get involved and their student's education.

But here's the great thing about it. The program has only been around for a few years, but Grad has been able to have 135,000 students, this is nationwide, in 217 schools across the country. And the group of schools where the program has been in place the longest, the number of high school graduates has increased by 85 percent. And the number of students going on to college has increased by more than six times. But I think, what is impressive to me is these students have gone on to earn college degrees at a rate 89 percent above the national level.

So what, hopefully, we can talk about college education, and we should talk about access for those, certainly those in the minority communities. But, I think that if we don't do a better job, and Project Grad to me is a program that does work, to prepare them so that when they get to you, you're not going to have to spend the first year or so on remedial classes. That is not, or shouldn't be, certainly, your area or expertise. I know a lot of that money goes there.

I am hoping that as we go through this process here in this Committee, that we will be able to get money for Project Grad, because I think it is a program that does work. It's proven.

And have any of you heard about the program, Project Grad? Nobody?

Mr. WIENER. I certainly have heard of it. But don't know enough to—I don't think this is going to add to your—what you said about it.

Mrs. MCCARTHY. I am just curious, because I think the higher education community should be getting involved in these programs. Because each and everyone of you, and I don't care where your college is, we are going to have a community that will have minorities in it, or underachieving schools.

And I think our job, more importantly here, right now, is to make sure that these kids have an opportunity to get to college. Or whether it's a training school, or a career school, it doesn't matter. Because these are the future workers, and we're going to need every one of them. If we are going to have the competition that were going to be looking at, whether it's China, whether it's India, which by the way are spending more money on education that we are in this nation, and I think that's a disgrace. So, not that money means everything, but in certain communities, it's the only chance these kids have.

And I hope that we can call out to the universities to support us on this Committee when we start looking for the money to help those kids. Thank you.

Chairman BOEHNER. Thank you. Mr. Holt.

Mr. HOLT. Thank you, Mr. Chairman.

Mr. Tierney referred to some of the factors that might be considered in this discussion, if we are going to take a good look at it.

But I think Mr. McKeon really got to the heart of it, which is the subject of today's hearing, is based on questionable numbers. We don't have good numbers on retention rates, it sounds to me.

Let me ask you, Dr. Nault, if you know how this would be handled. I have a staff member, actually a very good young woman, who attended Miami a half a dozen years ago. And then left and reappeared at another Ohio institution.

Now, it is my understanding, that most states actually don't have the capacity to track in-state student transfers. Does Ohio? Do you? Are we—I mean is this young woman lost to the system, or counted as a dropout for Miami?

Dr. NAULT. I can only speak for institution, and I am not fully knowledgeable about the entire Ohio system. I would say we do exit interviews to find out why a student leaves. But I think that you raised an important point, then they pretty much disappear to the institution. And I think that's lost information which is important, you know.

Dr. LINGENFELTER. I actually think that the State of Ohio can do that, but it is one of the—every state can't, they have a system that can do that.

Mr. HOLT. Is it true that most states cannot?

Dr. LINGENFELTER. Most cannot. But there is more, I mean, it's like five or ten can't. Yeah, so—

Mr. HOLT. So, among the other considerations, Dr. Nault, you in your prepared testimony pointed out that many of the freshman classes are taught by full-time faculty, 65 percent you say, which sounds good.



But I'm sure there are a lot of other relevant statistics that you might have included in your testimony. For example, what is the percentage of this minority student population in the freshman year? For example, who are institution wide?

Dr. NAULT. At our campus it's about 10 percent.

Mr. HOLT. About 10 percent. And I think that is, you know, perhaps another factor.

Well, let me ask all of you. Yes, some of us keep coming back to money. Because I know, anecdotally, that many of my constituents have gone in and out of college, and different colleges for financial reasons. And I wish we could get the numbers, meaningful numbers, so we could understand it better.

But let me just ask you, in general, if we're going to, if the bill that we are considering here is intended to be budget neutral. Or, more specifically, if the bill that we are considering here would freeze the maximum Pell Grant for the next, not quite decade. What affects would that have on graduation rates as you look at things?

Chairman BOEHNER. Will the gentleman yield?

Mr. HOLT. Yes.

Chairman BOEHNER. The bill that we have under consideration would maintain the authorization level of the Pell at \$5,800 per year.

Mr. HOLT. Which is well above what is currently available—

Chairman BOEHNER. The Chairman realizes that the current maximum Pell Grant award, as appropriated, is \$4050.

Mr. HOLT. Yes.

Chairman BOEHNER. As the gentleman well knows, I'm not into this game they gets played around here of authorizing ridiculous amounts of money, knowing that it is never going to be appropriated.

And I don't think we are in jeopardy over the next 5 years of reaching the \$5,800, considering that every \$100 increase in the Pell Grant, maximum award, translates into a cost to the government of about \$400 million.

Now, I want to see the Pell Grant increased just like the gentleman does. But I don't want to mislead people into increasing the authorization level to six, or seven, or eight, I don't know, what is it that Mr. Andrews believed, \$8,000.

Mr. HOLT. Well—

Chairman BOEHNER. Knowing that we're never going to get there.

Mr. HOLT. Yes. Well, reclaiming my time, let me rephrase the question then to say that, if we were to continue what has been proposed for the coming year, which freezes the Pell Grant at the current level, the current average award, and not even the maximum authorized award, what would be the effect on the graduation rates?

And we can just go right down the panel, although I suppose time has expired. So whoever wants to answer—

Chairman BOEHNER. Well, the gentleman can continue.

Mr. HOLT.—is most welcome.

Chairman BOEHNER. I used up some of your time. Go right ahead.

Mr. WIENER. Well, again, I think it's a complex relationship of many factors that will affect graduation rates. I think it's clear that financial ability to pay right now affects many student's persistence and success in higher education.

And I think it's reasonable to expect that costs and tuition will continue to increase at some pace. So if Pell doesn't keep pace with those other increases, then the likelihood that low-income students will be able to succeed in graduate from college becomes less likely.

I would point out, the last time, Pell has been losing ground for a number of years. The last time it was appropriated at its fully authorized amount is 1979. And that it paid in much higher percentage of students' fixed costs, at that time.

But there has been another development in both Federal, state and institution policy, which is to take increases in the investment and to target them more toward middle and upper middle class students, through tax credits and through merit-based, as opposed to need-based aid.

And I think it would behoove the Congress to look at the options for really redirecting that policy shift and making sure that new investments really do benefit the access and the success rates of low income students, as Pell grants do.

Dr. LINGENFELTER. I would comment that the research that I have seen is pretty clear that students who work more than 15 hours a week are at risk of not graduating. So I think student aid is enormously important.

I am not sure whether some students are working more hours than they should. Whether they need to or not. And I think we need to look at institutional practices to deal with that issue.

But the states, the institutions, the Federal Government all have to take financial aid for needy students very seriously every want to get better educational attainment.

Mr. HOLT. And actually just for the record, since I didn't ask the question of Dr. Law. What is the minority population in your institution?

Dr. LAW. We are in the mid-30 percent of African-American population.

Mr. HOLT. Thank you. No further questions, Mr. Chairman.

Chairman BOEHNER. Let me thank our witnesses for your willingness to come in and testify. And to those of you in the audience who have come in to show your interest. I think this is just another step in the overall effort to come to some agreement on the Higher Education Act reauthorization.

Unfortunately, the time allotted to us this year, considering everything else that is going on, is not as long as it could be, or should be. But I do think that these hearings are serving a very useful purpose in terms of getting us prepared to move quickly on this bill early next year.

And so with that, let me thank all of you, and this hearing is adjourned.

[Whereupon, at 12:38 p.m., the Committee was adjourned.]

[Additional material submitted for the record follows:]

**Statement of Hon. George Miller, Ranking Member, Committee on  
Education and the Workforce**

Thank you Mr. Chairman. I am pleased to join you at today's hearing on the Higher Education Act reauthorization.

Today's hearing focuses on the College Access and Opportunity Act (H.R. 4283) and college graduation rates. Increasing college persistence and completion is crucial to our economic success, national security and the country's overall well-being.

Unfortunately, several key provisions in H.R. 4283 will actually make it more difficult for students to graduate from college—particularly low-income and minority students.

H.R. 4283 freezes the current maximum authorized Pell Grant award at \$5,800 through 2011 despite the fact that the 2002–03 maximum Pell award was worth nearly \$700 less, in real terms, than it was 30 years ago;

The Republican's higher education bill eliminates a student's ability to choose to lock in a low-fixed interest rate on his or her student loans, forcing the typical student borrower to pay \$5,500 more for his college loans.

H.R. 4283 also raises interest rates on all student loans, pushing hundreds of dollars in additional costs onto student borrowers.

H.R. 4283 also eliminates the 'base guarantee' in the campus based aid programs without significantly increasing funding for work-study, supplemental educational opportunity grants and Perkins loans.

As a result, instead of increasing overall access the bill merely shifts college aid from one student with financial need to another student with need.

In addition, the bill fails to provide any meaningful relief from rising tuition.

According to a recent report from the State Higher Education Executive Officers, net tuition at public colleges has risen by almost 30 percent since 1991, largely due to cuts in state spending for higher education.

Rather than ease the burden of growing debt, long work hours and rising tuition, these provisions fly in the face of numerous studies which show that the costs of college are a key barrier towards entry and completion of college for millions of students.

Today, 63 percent of students who begin college as full-time freshman receive their bachelor's degree after six years.

Graduation rates for low-income and minority students are even worse: only 54 percent of low-income, and less than half of Latino and African-American students earn their bachelor's degrees within six years.

These rates do not include the scores of students who never even make it college, due to financial barriers and a lack of preparation.

In addition to have access to adequate financial aid, an integral component to college success and completion is preparation in the K–12 years.

Unfortunately, just as critical services and programs are being put in place and educators are being asked to do more than ever before, the Bush Administration and Congressional Republicans have broken their promise to fully fund No Child Left Behind.

As a result, states, school districts and students do not have the resources that they need to significantly increase their performance and to increase high school graduation rates—despite that public high school graduation rates for Latinos and African-Americans are just above 50 percent.

Both the Republican's failure to fully fund No Child Left Behind and H.R. 4283 will actually make it harder for millions of students to successfully graduate from high school and college.

In addition to resources, we must also address limitations of the current federal graduation tracking system—which largely fails to include part-time and transfer students.

As a result, we don't have accurate graduation data for a significant portion of college students.

I support increasing accountability and using innovation solutions to boost college graduation rates.

However, we must ensure that colleges, states and students have the resources necessary to meet increased standards—otherwise our efforts to close the achievement gap and raise graduation rates will amount to empty promises.

Unfortunately, the College Access and Opportunity Act won't improve college graduation rates.

Instead, it makes college more expensive for millions of low and middle-income students and their families just as they continue to struggle to cover rising college costs.

We need to increase college graduation rates and accountability for student persistence; however we can't afford to take the path of this bill, as it won't boost graduation rates.

I urge my colleagues to reject this bill as it is presently drafted.

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**Statement of Hon. Charlie Norwood, a Representative in Congress from the State of Georgia**

Mr. Chairman I thank you for holding today's hearing to examine the issues regarding college graduation rates and the recent report, "A Matter of Degrees: Improving Graduation Rates in Four Year Colleges and Universities," conducted by the Education Trust. As this Committee continues to develop policy to strengthen education accountability at every level, and as we continue to debate the merits of H.R. 4283 in reauthorizing the Higher Education Act, it is clear that Congress must take a closer look at the nitty-gritty details regarding graduation and higher education.

After all, we all know that more students are seeking out higher education opportunities every year (including a 66% increase at two and four year institutions since 1975); but too many of these students fall through the cracks and fail to stay the course. In fact, a recent report conducted by the Education Trust in May of 2004 found that only 63% of American students enrolled at four year universities graduate within six years. And while many of my colleagues are probably stunned to learn that it takes six years for nearly 2/3 of college students to graduate, it is more shocking to hear that 37% of students don't even graduate at all!

Yet the bad news doesn't stop there: minority and low income students are particularly at risk to fall through the cracks. According to the Education Trust, "only 46% of African American, 47% of Latino and 54% of low-income/full-time freshmen are graduating within six years." Mr. Chairman, these figures are unacceptable. Too many of these students are the first in their family to attend an institution of higher learning, and too many come from economically under-developed regions of the country. In short, they are the kids that will most benefit from completing their college education and receiving a degree.

As this Committee continues to consider the College Access and Opportunity Act it is imperative that Members do not ignore these facts. Mr. Chairman, we must face the music, realize that our policies of the past are not serving the best interests of American students and refocus federal higher education policy to boost these dismal graduation rates.

If, as the State Higher Education Executive Officers' (SHEEO) report entitled "State Higher Education Finance: fiscal year 2003" is correct, the federal government and our nation's state governments have continued to invest substantial taxpayer dollars in support of higher education even in the worst of financial times. Despite the fact that enrollment continues to rise and the strain on state budgets is tighter than ever before, government commitment to higher education remains steadfast. But what do we have to show for this investment? Why have graduation rates failed to keep pace?

Mr. Chairman, Members of this Committee need answers to these very poignant questions. While there are certainly institutions throughout the country that are maintaining or even improving upon an already high standard when it comes to graduation rates—and I take particular pride in the good work that universities in my home state of Georgia have accomplished in this regard—the overall picture is very disturbing. Congress must address this basic breakdown in accountability and achievement before proceeding ahead with the reauthorization of the Higher Education Act, and I look forward to hearing our witness' thoughts on how Congress can achieve this worthy goal.

I thank you again Mr. Chairman for your attention to this matter, and respectfully yield back the remainder of my time.

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**Statement of Hon. Jon C. Porter, a Representative in Congress from the State of Nevada**

Good Morning, Mr. Chairman. Thank you for calling this hearing on H.R. 4283, the College Access and Opportunity Act of 2004. As we continue the process of reauthorizing the Higher Education Act with a focus on access and accountability, the measure of achievement is of the highest importance. I thank all of our witnesses today, and look forward to their comments and insight into this important aspect of our federal higher education policy.

The reforms that we seek to make to this policy highlight the need for access and accountability. We must not forget the importance of student achievement when

tackling these issues. Discrepancies in achievement between different economic and ethnic groups require that we examine closely the data collected since 1990 and re-evaluate the means with which we encourage student achievement in traditional four year colleges.

We must also seek to incorporate the growing number of non-traditional students in our assessments of success in higher education. As more students seek out post-secondary education while still remaining in the workforce, the Graduation Rate Survey, one of the most important indicators of a schools' success, should reflect the current student population.

In southern Nevada, we have experienced strong job creation over the past year. This dictates that a larger portion of our population is engaged in the workforce. This does not, however, change the percentage of the population seeking higher education. By providing access to more flexible post-secondary schools, we can create a better educated, more productive workforce in Las Vegas and its surroundings.

As the federal government spends money on post-secondary education, it requires that centers of learning be accountable for the achievement of their students. Incorporating a broader spectrum of schools in this accountability equation will allow for greater federal aid for a broader spectrum of the student population. Through examining our current accountability standards, I hope that we can create a balanced and encompassing standard that will take into account the realities of our dynamic student body and modern workforce.

Again, Mr. Chairman, I thank you for providing the opportunity to discuss and explore this important aspect of the federal government's higher education policy. I also thank and welcome our panel of witnesses and look forward to their testimony.

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#### **Statement of Steven J. Uhlfelder**

I'm pleased to have the opportunity to share with the committee the actions taken by Florida and the State University System on some vital policy challenges facing higher education.

The State University System of Florida has taken concrete steps to address improvements in the important areas of graduation and progression, and in student learning outcomes. Florida hopes to become a leader in these important areas, because, unlike other states, Florida has a tremendous access challenge—we must turn away qualified students from our universities every year.

Florida's initiatives include the following:

##### *Stipulation of Credit Hours to Degree*

The State University System has reduced all baccalaureate programs to 120 credit hours to degree, with exceptions granted only by the system's governing body, the Florida Board of Governors. Significantly, this reduction included all teacher-preparation programs, many of which had increased haphazardly either through the desires of faculty or through increased requirements set by the Florida Legislature via the Florida Department of Education.

In all, hundreds of programs were reduced throughout the State University System for a total reduction of more than 1,800 credit hours. A result of this process was an honest and thoughtful review of all curricula by faculty. In the past nine years, Exceptions to the 120-credit-hour limitation are few, as Florida is rigorous in maintaining this standard of efficiency.

##### *Standardization of Prerequisites to the Major*

Florida has stipulated that prerequisite coursework taken in the first two years of the postsecondary experience must be standardized per discipline across Florida's universities and 28 community colleges. Therefore, a student who intended to major in, for example, Chemistry, is assured that courses taken as prerequisites, irrespective of the institution, meet the requirements. This is a powerful tool in a state such as Florida, which relies on a strong two-plus-two model of transfer from lower-level community colleges to upper-division universities.

##### *Standardization of General Education Hours*

Florida has stipulated that General Education must be a maximum of 36 credit hours at all state universities and community colleges. This resulted in a reduction of credit hours associated with General Education at many institutions. Institutions were required by law to provide coursework in five traditional subject-areas; the State did not attempt to dictate the General Education curriculum.

*Recent Efforts in Accountability and Performance Funding*

The Florida Board of Governors has adopted a new Accountability and Performance model. The model is predicated on these principles:

1. The Board will focus on eight of the most meaningful measures as opposed to the universe of potential measures.
2. The Board will provide recommendations to the Legislature, per its direction, as to how up to 10 percent of university funding can be tied to these measures.
3. The measures will be a combination of proficiency indicators and quality-assurance indicators, weighted for priority and balance. Special attention will be paid to student learning.

The Board of Governors measures include indicators of:

- Degree productivity at all levels.
- Degree productivity in specific academic areas of critical importance to Florida.
- Higher education access to underserved populations.
- Graduation rates.
- Passage rates on critical licensure examinations.
- Research productivity.
- Creation of Academic Learning Compacts.

*Recent Efforts in Student Learning Outcomes: Academic Learning Compacts*

This year, the Board of Governors recommended that our state universities adopt Academic Learning Compacts for every baccalaureate degree. In this way, our universities can establish simple, clear expectations and determine whether students meet standards with respect to content-area knowledge, critical thinking and communication skills before graduation.

The 11 institutions of the State University System are now developing the Academic Learning Compacts, following Board of Governors guidelines. Under this model, each student will know his or her performance goals and, from the start of their first semesters, can begin to build the catalog of knowledge needed to fulfill the requirements.

Through the Academic Learning Compacts, faculty members in each department will be able to better articulate their program's goals. They, too, will be held accountable if their students, after four years' study, fail to meet the fair and honest criteria for success spelled out in the compacts that they helped devise.

Student performance will be judged in a variety of ways. Assessment measures could include essays, portfolios, internship assessments, licensure exams, employer surveys, graduate-school admission exams, senior projects or other methods. Each university, and each department, will determine what measures best reflect their fields of study. With the Academic Learning Compacts, this is easily accomplished—one size does not have to fit all.

As you can see, accountability and performance outcomes are important to Florida and its colleges and universities. Our state is working hard to broaden opportunities to a college degree by making our institutions as productive and efficient as possible. The Florida Board of Governors is determined to continue this progress.

I thank you for this opportunity to relate these achievements to the committee, and I look forward to your comments.

Steven J. Uhlfelder, is a member of the Board of Governors for the Florida University System (appointed by Governor Jeb Bush) and former Chair of the Florida Board of Regents (appointed by Governor Lawton Chiles).

