

Ronald Reagan once said there was only one person in the world that could make him lonely just by leaving the room. And we learned earlier this week that Nancy still marvels at her husband's devotion. She shouldn't. Those of us who are fortunate to share this life of highs and lows, of forced smiles and cancelled plans, of bland buffets and late night calls, know we couldn't achieve much at all, much less resounding deeds, without the person sitting next to us.

#### ACCOUNTABILITY IN HIGHER EDUCATION

Mr. ALEXANDER. Mr. President, our country does not have just some of the best colleges and universities in the world. It has almost all of them. Our higher education system is our secret weapon in America's competition in the world marketplace. It is the cornerstone of the brainpower advantage that last year permitted our country to produce thirty percent of the world's wealth, measured by gross domestic product—for just 5 percent of the world's people.

Education Secretary Margaret Spellings, to her credit, established a commission 2 years ago to examine all aspects of higher education to make certain that we do all we can to preserve excellence in this secret weapon and access to it. Among other things, the commission called for more accountability in higher education.

The commission got the part about accountability right. We in Congress have a duty to make certain that the billions we allocate to higher education are spent wisely.

Unfortunately, the commission headed in the wrong direction when it proposed how to achieve accountability. In its report, and in the negotiated rule-making process, the Department of Education proposed a complex system of accountability to tell colleges how to accept transfer students, how to measure what students are learning, and how colleges should accredit themselves.

I believe excellence in American higher education comes from institutional autonomy, markets, competition, choice for students, federalism and limited Federal regulation.

The Department is proposing to restrict autonomy, choice, and competition.

Such changes are so fundamental that only Congress should consider them. For that reason, if necessary, I will offer an amendment to the Higher Education Act to prohibit the Department from issuing any final regulations on these issues until Congress acts. Congress needs to legislate first. Then the Department can regulate.

Instead of pursuing this increased Federal regulation, I have suggested to the Secretary a different course.

First, convene leaders in higher education—especially those who are leading the way with improved methods of accountability and assessment and let them know in clear terms that if colleges and universities do not accept

more responsibility for assessment and accountability, the Federal Government will do it for them.

Second, establish an award for accountability in higher education like the Baldrige Award for quality in American business. The Baldrige Award, granted by the Department of Commerce, encourages a focus on quality in American business. It has been enormously successful, causing hundreds of businesses to change their procedures to compete for the prize. I believe the same kind of award—or awards for different kinds of higher education institutions—would produce the same sort of result for accountability in higher education.

Finally, make research and development grants to states, institutions, accreditors and assessment researchers to develop new and better appropriate measures of accountability.

This combination of jawboning, creating a Baldrige-type prize for accountability and research and development for better assessment techniques will in, my judgment, do a better and more comprehensive job of encouraging accountability in higher education than anything Federal regulation can do.

If I am wrong, then we in Congress and the U.S. Department of Education can step in and take more aggressive steps.

Are there some things wrong with the American higher education system? Of course.

And in my testimony in Nashville last year before the Secretary's Commission on the Future of Higher Education I detailed some of them.

One is the failure of colleges of education to prepare school leaders to raise our k-12 system to the level of our higher education system.

Two is the growing political one-sidedness that has infected many campuses. Too often true diversity of thought is discouraged in the same of a preferred brand of diversity.

Third, is the rising cost of tuition and large amount of students debt although costs are lower than most Americans realize and the reason for the increase is primarily the State failure to fund higher education because of all the money that is being soaked up by rising medicaid costs.

Fourth, there is no doubt that colleges and universities are not as efficient as they should be. Campuses are too vacant in the summer. Faculty teaching loads are too light. And semesters are too short to justify the large expenditures.

Fifth, no one in Washington takes a coordinated look at the tens of billions of dollars spent for higher education. Secretary Spellings is the first to do this, and I applaud her for it, although I had hoped the result would have been less regulation, not more.

Finally, deregulation. There is too much Washington DC, regulation.

Instead of debating how many more regulations we need, if we really are se-

rious about excellence and opportunity, we should be debating which regulations we can get rid of.

The question is whether you believe that excellence in higher education comes from institutional autonomy, markets, competition, choice for students, federalism and limited Federal regulation or whether you don't.

I believe it does. In fact, I have spent most of my public career arguing that we should borrow these principles from higher education where we have excellence and try them in k-12 where we too often don't.

There is plenty of evidence that America's secret weapon is our system of colleges and universities. More Americans go to college than in any country. Most of the best universities of the world are in our country, attracting 500,000 of the brightest students from outside America—many of whom stay to create more good jobs for Americans.

Just a few short weeks ago, after two years of work, the Senate passed the America Competes Act. It authorizes investing \$62 billion over 4 years to help our country keep its brainpower advantage so we can keep jobs from going to India and China.

In China, India, in Europe and Latin America countries seeking to improve the incomes of their citizens are seeking to emulate our college and universities because they know that better schools and colleges mean better jobs. The former Brazilian President, Fernando Henrique Cardoso, recently told a group of Senators that the strongest memory of the United States he would take back to his country is the American University. "The uniqueness, strength and autonomy of the American university," Dr. Cardoso said, "There is nothing like it in the world." "Autonomy" is the key word in Dr. Cardoso's response.

Deregulating higher education and preserving the autonomy of its institutions—not more Washington, DC, regulation—is the key to preserving the quality of this secret weapon in our effort to keep our high standard of living.

The United States system of higher education is a remarkable system of 6,000 autonomous institutions. Some are public, like the University of Tennessee of which I was once President. Some are private like Vanderbilt and New York University, from which I graduated. Some are Catholic. Some are Jewish. Some are non profit. Some are for profit. Some, like UCLA, are research universities.

Some are trade schools like the Nashville Auto Diesel College which graduate 1300 of the best auto mechanics in the world each year. Some are 2-year community colleges or technical institutes.

Some, like the University of Texas, have 100,000 students. Some, like Valley College in West Virginia have 34 students.

Some like Harvard, have 20,000 applicants for 1,700 freshman places. Some,

like University of Phoenix, accept every student who applies. Some teach sports management and some teach classics.

The largest university is online. In some colleges, most students graduate in four years. In others, most never actually graduate because they are there to learn skills on their way to a new job.

The average tuition private school is \$22,218, for a public four year college the average is \$5,836, for a public 2-year community college the average is \$2,272.

More than half the students who attend these 6,000 institutions have a federal grant or a loan to help them to pay for college.

That means that this year taxpayers will spend \$13 billion giving 5.2 million students Federal Pell grants providing up to \$4,310 each—which pays the entire cost of attending many 2 year schools and almost three-fourths the cost of a public four year school.

Many States and private institutions and individuals provide generous additional scholarships and loans.

Mr. President, 56,000 Tennessee students each year receive up to \$3,800 if they attend a 4-year institution or \$1,900 if they attend a year institution.

Georgia's HOPE scholarship and grant programs benefit over 200,000 Georgia students a year, giving them grant and scholarship aid to attend a college or university.

In addition, 14 million students will borrow 66 billion more dollars this year by taking out federal guaranteed loans to help pay for college.

I once asked David Gardner when he was president of the University of California why his institution was one of the world's finest. Without a moment's hesitation he said, "First, autonomy. Fundamentally the state of California gives us the money, then our board decides how to spend it. This authority has permitted us to set high standards." And then he said, "We have a large amount of federal and state dollars that follow students to the educational institution of their choice."

So, autonomy, excellence choice—Federal dollars following students to the schools of their choice. That is the California formula for excellence. It is the American formula for excellence since the GI bill for Veterans was enacted in 1944, and veterans were given the opportunity to attend the college of their choice.

Congress could have given the dollars to institutions. Instead, it created this marketplace and fueled it even further with the addition of Pell grants and loans—all following students to the institution of their choice.

Who, then, is the regulator of this marketplace?

Well, first, the marketplace itself. Students armed with scholarship dollars may choose or reject courses and colleges. Colleges must compete to attract faculty. Most Federal grants are awarded competitively after review by

peers. Such competition and choice has permitted both excellence and a breadth responding quickly to a changing world that a more highly regulated system never would have. For example, the fastest growing institutions are 2-year colleges and for-profit institutions—the institutions in the closest touch with the rapidly changing global workplace.

The second regulator is the Federal Government. This stack of regulations I have here represent the 7,000—yes, 7,000 regulations—that each one of the 6,000 colleges and universities who accept federal aid must deal with in order to accept students with Federal grants or loans.

The president of Stanford has estimated it costs 7 cents of every tuition dollar just to deal with federal regulations and loans. Universities have compliance officers and divisions to keep track of regulations from almost every Cabinet agency in Washington.

Then there are the State regulators. The Governor is chairman of the board of all Tennessee public universities. Of course, the State legislature has its say when it passes budget funding public universities. The Tennessee Higher Education Commission reviews budgets, duplicitous programs and standards—and it also has some rules for private universities.

Fundamentally the autonomous college or university regulates itself. As president of the University of Tennessee system of institutions, I had overall responsibility for admissions and standards of quality for faculty and students established by the board of trustees to which I reported. A chancellor supervised each campus. The faculty senate on each campus played a major role.

Then there is also the self-accreditation system—an elaborate, time consuming review of programs in each department for the purpose of determining whether that department held true to its mission and its level of quality.

With these multiple layers of regulation, higher education needs less, not more regulation from Washington, DC. In fact, I believe the greatest threat to excellence of higher education is overregulation, not underfunding.

Not long ago, the president of the North Carolina higher education system—Erskine Bowles—visited me along with several of his presidents of public and private institutions. That system has for years been one of the Nation's best. Their message was, "Of course accountability is important. We believe in it. But we are the ones to do it and we are doing it."

The best way for Congress to assure the quality of higher education is to determine that State regulators and accrediting agencies are doing their jobs.

#### RETIREMENT OF BARBARA L. MILES

Mr. DODD. Mr. President, Barbara Miles, a specialist in financial institutions retired from the Government and Finance Division of the Congressional Research Service, CRS, at the Library of Congress on May 3, 2007. Including 32 years at CRS and her six years in the executive branch as an economist and econometrician at the Bureau of Economic Analysis in the Department of Commerce, Ms. Miles devoted 38 years of service to the American people. CRS and the Congress lost an exceptionally able and dedicated public servant with her departure.

A native of California, Ms. Miles earned a bachelor's degree in economics from Occidental College in Los Angeles and a master of economics degree from the University of Washington at Seattle. She began her CRS service in July 1975, as an economist. She was successively promoted throughout her career, attaining the position of Specialist in Housing in 1979, and that of Specialist in Financial Institutions in 1995.

Ms. Miles' research was in the general area of housing. She is an expert in a range of housing-related policy issues such as the housing industry and finance, housing supply and prices, housing demand, mortgage interest rates and affordability, and federal policies toward home ownership. Ms. Miles provided close support to numerous members of Congress and their staff, in the form of analysis, confidential memos, and reports during the savings and loan crisis of the late 1980s. She worked closely with Congress as it drafted the Financial Institutions Reform Recovery and Enforcement Act of 1989 that established the Resolution Trust Corporation, which liquidated the assets of insolvent savings and loans, and reimbursed depositors and other creditors.

As her career developed, Ms. Miles also devoted her talents to the study of and analysis of public policy concerning government sponsored enterprises, or GSEs, which are stockholder-owned companies whose Congressional charters call on them to support the secondary mortgage market, especially lower income groups and geographic areas not well served by lenders. She provided ever more insightful and detailed reports on the costs, benefits, and risks of various GSEs, advising Congress on the impact of the GSEs on different sectors of the housing market in particular, as well as on the nation's economy in general. Through regular and ever expanding contacts, she helped to familiarize members and staff with the role of Congress in policy options and oversight of the GSEs. She provided regular analyses of options for legislation and oversight. Her work included in-person briefings, telephone briefings, lectures, seminars, reports, confidential and general distribution memoranda, and CRS reports for Congress. She testified before Congress on