

## Publisher's Note

Sixth Meeting of the

Secretary of Education's  
National Commission on the Future of Higher Education

The meeting was held at the Department on August 10, 2006. Because of restrictions on air travel imposed that morning, some members of the Commission were unable to attend or joined the meeting of the Commission by telephone. A copy of the transcript is available. There were no slides, no presentations by others, and no public comment was scheduled.

Comments refer to a draft of the Commission's report released the day before the meeting and made available to the public as well.

Dated: July 17, 2006.

**C.R. Choate,**

*Alternate OSD Federal Register Liaison  
Officer, Department of Defense.*

**N07401-1**

**SYSTEM NAME:**

Bingo Winners (April 28, 1999, 64 FR 22840).

**REASON:**

The system of records is maintained under Department of the Navy systems of records notice NM01700-1, entitled, DON General Morale, Welfare and Recreation Records (June 14, 2006, 71 FR 34321).

[FR Doc. 06-6416 Filed 7-21-06; 8:45 am]

**BILLING CODE 5001-06-M**

**DEPARTMENT OF DEFENSE**

**Department of the Navy**

**Privacy Act of 1974; System of Records**

**AGENCY:** Department of the Navy; DoD.

**ACTION:** Notice to delete systems of records.

**SUMMARY:** The Department of the Navy is deleting a system of records notice from its existing inventory of records systems subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended.

**DATES:** Effective July 24, 2006.

**ADDRESSES:** Department of the Navy, PA/FOIA Policy Branch, Chief of Naval Operations, (DNS-36), 2000 Navy Pentagon, Washington, DC 20350-2000.

**FOR FURTHER INFORMATION CONTACT:** Ms. Doris Lama at (202) 685-6545.

**SUPPLEMENTARY INFORMATION:** The Department of the Navy systems of records notices subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have been published in the **Federal Register** and are available from the address above.

The proposed deletion is not within the purview of subsection (r) of the Privacy Act of 1974 (5 U.S.C. 552a), as amended, which requires the submission of a new or altered system report.

Dated: July 17, 2006.

**C.R. Choate,**

*Alternate OSD Federal Register Liaison  
Officer, Department of Defense.*

**N05520-1**

**SYSTEM NAME:**

Personnel Security Eligibility Information System (September 2, 1999, 64 FR 48148).

**REASON:**

The information in this system of records is now maintained under the Defense Security Service systems of records notice V5-05, Joint Personnel Adjudication System (JPAS) (July 1, 2005, 70 FR 38120).

[FR Doc. 06-6417 Filed 7-21-06; 8:45 am]

**BILLING CODE 5001-06-M**

**DEPARTMENT OF EDUCATION**

**A National Dialogue: The Secretary of Education's Commission on the Future of Higher Education**

**AGENCY:** A National Dialogue: The Secretary of Education's Commission on the Future of Higher Education, U.S. Department of Education.

**ACTION:** Notice of open meeting.

**SUMMARY:** This notice sets forth the schedule and proposed agenda of an upcoming open meeting of A National Dialogue: The Secretary of Education's Commission on the Future of Higher Education, (Commission). The notice also describes the functions of the Commission. Notice of this meeting is required by section 10(a)(2) of the Federal Advisory Committee Act and is intended to notify the public of their opportunity to attend.

**DATES:** Thursday, August 10, 2006.

**TIME:** 10 a.m. to 1 p.m.

**ADDRESSES:** The Commission will meet in Washington, DC, at the Department of Education, 400 Maryland Avenue, SW., Washington, DC, Barnard Auditorium.

**FOR FURTHER INFORMATION CONTACT:** Kristen Vetri, Chief of Staff, National Dialogue: The Secretary of Education's Commission on the Future of Higher Education, 400 Maryland Avenue, SW., Washington, DC 20202-3510; telephone: (202) 205-8741.

**SUPPLEMENTARY INFORMATION:** The Commission is established by the Secretary of Education to begin a national dialogue about the future of higher education in this country. The purpose of this Commission is to consider how best to improve our system of higher education to ensure that our graduates are well prepared to meet our future workforce needs and are able to participate fully in the changing economy. The Commission shall consider federal, state, local and institutional roles in higher education and analyze whether the current goals of higher education are appropriate and achievable. The Commission will also focus on the increasing tuition costs and the perception of many families,

particularly low-income families, that higher education is inaccessible.

The agenda for this meeting will include a discussion among commission members regarding preliminary findings and recommendations for the final report.

Individuals who will need accommodations for a disability in order to attend the meeting (e.g., interpreting services, assistive listening devices, or materials in alternative format) should notify Kristen Vetri at (202) 205-8741 no later than July 31, 2006. We will attempt to meet requests for accommodations after this date but cannot guarantee their availability. The meeting site is accessible to individuals with disabilities.

Individuals interested in attending the meeting must register in advance because of limited space issues. Please contact Kristen Vetri at (202) 205-8741 or by e-mail at [Kristen.Vetri@ed.gov](mailto:Kristen.Vetri@ed.gov).

Opportunities for public comment are available through the Commission's Web site at <http://www.ed.gov/about/bdscomm/list/hiedfuture/index.html>. Records are kept of all Commission proceedings and are available for public inspection at the staff office for the Commission from the hours of 9 a.m. to 5 p.m.

Dated: July 19, 2006.

**Margaret Spellings,**

*Secretary, U.S. Department of Education.*

[FR Doc. 06-6421 Filed 7-21-06; 8:45 am]

**BILLING CODE 4000-01-M**

**DEPARTMENT OF ENERGY**

**Agency Information Collection Extension**

**AGENCY:** Department of Energy.

**ACTION:** Submission for Office of Management and Budget (OMB) review; comment request.

**SUMMARY:** The Department of Energy (DOE) has submitted an information collection package to the OMB for extension under the provisions of the Paperwork Reduction Act of 1995. The package requests a three-year extension of its Human Reliability Program (HRP), OMB Control Number 1910-5122. The collections consist of forms that will certify to DOE that respondents were advised of the requirements for occupying or continuing to occupy a HRP position. The HRP is a security and safety reliability program for individuals who apply for or occupy certain positions that are critical to the national security. It requires an initial and annual supervisory review, medical

THE SECRETARY OF EDUCATION'S COMMISSION  
ON THE FUTURE OF HIGHER EDUCATION

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MEETING

+ + + + +

THURSDAY,  
AUGUST 10, 2006

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The Commission met in the Barnard Auditorium, U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C., at 10:00 a.m., Charles Miller, Chairman, presiding.

PRESENT:

CHARLES MILLER	Chairman
NICHOLAS DONOFRIO	Commissioner
JAMES J. DUDERSTADT	Commissioner
JONATHAN GRAYER	Commissioner
JAMES B. HUNT, JR.	Commissioner
ARTURO MADRID	Commissioner
ROBERT MENDENHALL	Commissioner
CHARLENE R. NUNLEY	Commissioner
CATHERINE B. REYNOLDS	Commissioner
ARTHUR J. ROTHKOPF	Commissioner
RICHARD STEPHENS	Commissioner
LOUIS W. SULLIVAN	Commissioner
SARA MARTINEZ TUCKER	Commissioner
RICHARD VEDDER	Commissioner
CHARLES M. VEST	Commissioner
DAVID WARD	Commissioner
ROBERT M. ZEMSKY	Commissioner
JOHN BAILEY	Ex Officio
DAVID DUNN	Ex Officio
PETER FALETRA	Ex Officio
CHERYL OLDHAM	Executive Director

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

(10:08 a.m.)

CHAIRMAN MILLER: Good morning. I call the meeting to order of the Secretary's Commission on the Future of Higher Education.

We have 11 members here. We have a quorum. We are expecting to have six members telephonically. Two are not available by phone, literally, way out of pocket, I've had input from them, which I can report later.

Thank you. Thank you for taking the time, putting this on your calendar, for doing all the hard work. The meeting has a fairly specific purpose to make a decision on the proposed report for the Secretary's Commission on the Future of Higher Education.

Because of the nature of the structure of the meeting, the telephonic and the people in person, and because we've had this extra issue of airport security and people are on the schedule, I'm going to try to be efficient, on time. And I know most of you would be that way, so here's what we would like to do for the meeting.

Staying on plan, I'm going to talk just briefly about the work of the Commission. Cheryl Oldham will talk about the process going forward that

1 would be the legal and operational, and so on, part of  
2 the work of the Commission and how we might finish.  
3 And then, we'll accept a motion to adopt the report.

4 Governor Hunt, who is in North Carolina,  
5 has had some surgery early this week, is prepared to  
6 make a motion, and Arturo Madrid to second it. I'm  
7 going to read that motion for them at the beginning of  
8 it, and then what I'd like to do is for people to have  
9 a chance to go around and I'll call on you  
10 individually to make a comment, like you'd have a  
11 discussion but try to do it in an organized way,  
12 comment as briefly as you can make it.

13 And then, as a result of that discussion  
14 we would like to have a concluding vote. That would  
15 be the purpose of -- so the comments might be helpful  
16 if they would be conclusive. Anybody have a question  
17 or a comment about that process?

18 Thank you very much.

19 COMMISSIONER HUNT: Mr. Chairman, could  
20 you please move a little closer to the microphone?  
21 It's very faint.

22 CHAIRMAN MILLER: Thank you. Is that  
23 better for you guys?

24 COMMISSIONER HUNT: Yes, that's much  
25 better.

26 CHAIRMAN MILLER: Thanks. I appreciate

1 that.

2 I believe this is the eighth meeting of  
3 the Commission, with six -- the sixth full Commission  
4 meeting in 10 months, six locations. We've had a huge  
5 volume of input -- reports, e-mails, telephone calls,  
6 meetings individually, small group meetings, a large  
7 amount of dial-up among ourselves by e-mail or  
8 telephone calls, and when I say a large amount I can't  
9 understate that.

10 I've never seen a hardworking group -- as  
11 hardworking and dedicated a group as this, or a  
12 smarter group of people. I thought to myself when the  
13 Commission was appointed that if the Secretary wanted  
14 to turn over the running of the country to a group  
15 this would qualify.

16 (Laughter.)

17 And I feel that way here toward the end.  
18 I feel so much confidence, and I want to thank you for  
19 that participation. There's a lot to be done in the  
20 sense of the follow-up to the report. I think we've  
21 put a lot on the table to be done.

22 Cheryl Oldham will tell us now the  
23 operational mechanics of the way we can finish our  
24 report, assuming we make a decision on the report  
25 today.

26 MS. OLDHAM: As the Chairman said,

1 assuming we make a decision here today, it's sort of  
2 just the beginning of the end in terms of getting this  
3 to a place that you all would feel comfortable  
4 presenting it to the Secretary. It clearly is not in  
5 that form or that place currently, and so we've got a  
6 few steps to go through in terms of copy editing,  
7 cleaning it up, graphics, things like that. We've got  
8 a contractor who will lay it out. All of these are  
9 sort of several processes to get to a complete  
10 document that we would then present to the Secretary  
11 in its final form.

12 All of that needs to go through the  
13 Government Printing Office requirement for printing  
14 that type of thing. All of that is probably, you  
15 know, at minimum a month process. So the plan would  
16 be or the goal would be to have something to deliver  
17 to her in its final form mid-September, present to her  
18 hopefully with the signatures of those Commissioners  
19 on the document, and present to her in mid-September  
20 in its final form.

21 Any questions about that or --

22 (No response.)

23 CHAIRMAN MILLER: Okay. If we take action  
24 in a prompt enough manner, we'll have plenty of time,  
25 if people would like to, to discuss the -- some going-  
26 forward ways we can help the process, help the

1 Secretary, help the country to take advantage of the  
2 work we've done, so we'll have a chance to discuss  
3 that today. But we'll have also a chance to continue  
4 to do that, and we'd like your involvement.

5 I wrote a note to myself recently that we  
6 reached a strong consensus of the Commission members,  
7 and I probably should have said a consensus of the  
8 strong Commission members.

9 (Laughter.)

10 COMMISSIONER HUNT: Maybe so, Mr.  
11 Chairman.

12 CHAIRMAN MILLER: It's been hard work,  
13 sometimes contentious, but from a diverse group of  
14 people that's the way it ought to be. I think we have  
15 come to some important conclusions, and I think people  
16 can read this report in that way.

17 Governor Hunt is in North Carolina, and he  
18 is prepared to make a motion.

19 COMMISSIONER HUNT: Mr. Chairman, I am  
20 ready. I move for the adoption of the report of the  
21 Secretary's Commission on the Future of Higher  
22 Education, as represented in the current draft dated  
23 8/9/06. I would assume, Mr. Chairman, that this  
24 motion would allow for minor adjustments to be made  
25 for better drafting, editing, and the inclusion of  
26 visual tools to improve the presentation to the

1 public.

2 And, Mr. Chairman, if I may make just a  
3 brief comment here, even before you entertain a  
4 second. Let me say to my fellow Commission members  
5 that I think this report will be one of the most  
6 important reports in the education and economic  
7 history of our country, if we act on it.

8 Our nation needs its higher education, and  
9 we've constantly referred to this as America's higher  
10 education. It doesn't belong just to colleges and  
11 universities. It's our -- America higher education.  
12 Our nation needs it to be better and to be more  
13 accessible to all the people of America.

14 The economic competitiveness of our nation  
15 requires it, and I think our moral obligation to equal  
16 opportunity for all of our people demands it. I'm  
17 hopeful that our effort on this Commission will result  
18 in a national sense of urgency and a sustained  
19 commitment to improve higher education similar to that  
20 caused by A Nation at Risk over two decades ago.

21 Mr. Chairman, I was a Governor when that  
22 Commission reported. In fact, I was the Chairman of  
23 the Education Commission of the States. And within a  
24 matter of months we had a very strong report come  
25 forward to respond to that, and we've been seeing very  
26 strong responses ever since.

1           In fact, I would say that for over two  
2 decades now we've been responding to those very strong  
3 proposals to improve K-12 education. And that has  
4 happened in large measure because the people involved  
5 in it then have pushed forth and we have continued to  
6 go forward.

7           Chairman Miller, I want to commend you for  
8 your leadership of this Commission. I was proud to be  
9 a part of the work of this group, and I want to  
10 commend all the members. And I want to strongly,  
11 strongly urge, as I make this motion, that as we  
12 consider this today -- and I hope all vote for it -- I  
13 want to urge that we push forward to do the things  
14 that are in this report.

15           I want to especially urge that all of the  
16 organizations that represent higher education -- and  
17 we've heard from many of them over these months, as we  
18 should have -- I hope that all of them will help us  
19 push forward. This will not be a time to nitpick and  
20 to complain and to try to explain away some things.  
21 This is going to be a time where we need to push  
22 forward and to really make this work and change  
23 America behind this report.

24           So I hope very much that it will be  
25 considered favorably today, and that we will push  
26 forward to make higher education in this nation all

1 that it can be, all that it should be, and all that it  
2 must be.

3 CHAIRMAN MILLER: Thank you, Governor.  
4 Appreciate that -- your comments, and especially your  
5 long-term leadership on all forms of education.

6 I'd like to recognize Dr. Arturo Madrid  
7 for a second.

8 COMMISSIONER MADRID: Mr. Chairman, I'm  
9 pleased to second Governor Hunt's motion, and with  
10 your permission I'd like to add my remarks, too,  
11 briefly.

12 I leave this undertaking with the same  
13 concerns with which I entered it -- that our  
14 institutions of higher education are principally  
15 structured to do better by the best, and do very well  
16 by them, but increasingly find themselves unable or  
17 not disposed to do better by the rest.

18 Our findings indicate that these days we  
19 are principally privileging the privileged, those of  
20 us who by good -- by the good fortune of having been  
21 born into stable, affluent, educated families, who  
22 live in secure neighborhoods and attend schools of  
23 reasonable size, whose teachers are well qualified and  
24 adequately rewarded, who have reasonable access to  
25 institutions of higher education, who by virtue of  
26 those circumstances, the circumstances of birth and of

1 civic status, are able to have expectations that match  
2 their aspirations.

3 All of us here had most of those  
4 conditions, are present here by virtue of them. We  
5 need to remind ourselves that a very large percentage  
6 of our potential students do not.

7 We can argue about the specifics but not  
8 about the consequences. The gap between those with  
9 advantage and those with little or none is something  
10 that is obvious. A healthy society rests on the well  
11 being of all of its citizens. Its public and private  
12 institutions must serve and serve well the interests  
13 of all.

14 Not to hold this one extraordinary,  
15 magnificent institution to this goal is to risk the  
16 health of our society and its institutions. I urge  
17 you to approve this report, whatever misgiving you  
18 have with it, because it addresses that very  
19 challenge, however imperfect.

20 Thank you.

21 CHAIRMAN MILLER: Thank you, Arturo.

22 I'm going to ask the members of the  
23 Commission to talk about it in the room first, in  
24 alphabetical order, and have a brief pause between  
25 each member and statement, so that we give people on  
26 the phone a chance to make a comment or intervene or

1 say something about their time.

2 Nick Donofrio.

3 COMMISSIONER DONOFRIO: Thank you, Mr.  
4 Chairman, and Commissioners and colleagues. I'll be  
5 very brief. What I'm about to say everybody already  
6 knows. Education has been and will be the hope of the  
7 future of our country. It's clearly that case for me.

8 Thinking, inventing, creating,  
9 discovering, innovating, that's where the real value  
10 is in the global economy that we participate in. This  
11 report goes a tremendous distance in trying to move us  
12 in that direction. I, too, urge my colleagues to  
13 support this report no matter what their misgivings  
14 are. In the final analysis, the greater good is  
15 served.

16 In the final analysis, I remind you we  
17 have aspired, we have clearly inspired, and now it is  
18 time for us to perspire. The heavy work is clearly  
19 ahead of us.

20 Thank you.

21 CHAIRMAN MILLER: Thank you very much.

22 Jonathan Grayer.

23 COMMISSIONER GRAYER: Thank you, Mr.  
24 Chairman. I, too, will be brief. And like my  
25 preceding speakers, I do not believe anything I'm  
26 saying is not widely held around this room.

1 I will say that I support this final  
2 document, because in large part I think it starts to  
3 recognize that the future of our higher educational  
4 system will be driven by its ability to serve those  
5 that are coming into the system for the first time.  
6 That if you look at our current institutions by  
7 definition they will have very little growth.

8 They have very few -- little capacity to  
9 serve more students. New students that are coming  
10 either because of the echo boom that is driving  
11 demographics throughout the country, or because  
12 matriculation rates are happily going up, are going to  
13 have to be served through alternative means of  
14 education through online education, through community  
15 colleges growing into bachelor programs, all kinds of  
16 new ways of serving it.

17 I think that our report begins to address  
18 that, and if it does address that Dr. Madrid's vision  
19 of being able to serve the best to the rest will be a  
20 goal we can achieve. So I heartily endorse what we've  
21 done here and hope that, as Nick says, the work will  
22 go ahead in making that true.

23 Thank you.

24 CHAIRMAN MILLER: Thank you, Jonathan, for  
25 your work.

26 Robert Mendenhall.

1                   COMMISSIONER MENDENHALL: Thank you, Mr.  
2 Chairman. Is that mike on? I want to start by  
3 expressing appreciation to the Secretary and my  
4 colleagues on the Commission for the opportunity to  
5 have served. I, speaking personally, have enjoyed  
6 immensely this opportunity and have learned a great  
7 deal about the higher ed system in the United States.

8                   And what I have learned has caused a  
9 greater sense of urgency and concern that we address  
10 in this report. But I think we found during the  
11 course of our testimony significant facts. One that  
12 the gaps between those who have access to higher  
13 education and those who have limited access has  
14 actually been increasing over the last 20 years as  
15 opposed to decreasing, and we need to change policies  
16 to close that gap.

17                   Secondly, there are significant qualify  
18 concerns with data such as the national assessment of  
19 adult literacy and other data that suggest that we  
20 need to increasingly focus on the effectiveness of the  
21 education that we're delivering. And we've certainly  
22 spent a lot of time on the affordability issues around  
23 higher education.

24                   I want to express my support for this  
25 report, the findings and the recommendations, in  
26 particular that we need to increase need-based aid,

1 that we need to focus on closing this gap, that we  
2 need greater accountability and transparency for  
3 results in the higher ed system.

4 And I think the report makes a strong  
5 endorsement of reducing regulation and restrictions  
6 that inhibit new models and new technologies and new  
7 ways of delivering education, because fundamentally I  
8 believe that technology and new models will enable us  
9 in the next decade or two to educate far more  
10 effectively and efficiently than we've been able to do  
11 in the past.

12 And with that, I simply want to express  
13 appreciation for the opportunity to get to know some  
14 very smart people in this arena, to learn a lot about  
15 higher education, and I pledge my support to helping  
16 implement the recommendations that we've made as a  
17 Commission.

18 Thank you.

19 CHAIRMAN MILLER: Thank you, Bob, very  
20 much.

21 Dr. Charlene Nunley.

22 COMMISSIONER NUNLEY: Good morning. I,  
23 too, want to thank the Secretary and my fellow  
24 Commissioners, and also the Chair and the staff, who I  
25 think have worked endless hours to try to bring us to  
26 where we are today.

1           When I came on the Commission I came with  
2 some goals, which I typically do in things that I  
3 approach in life, and one of those goals was to try to  
4 assure that this report had a powerful statement about  
5 access, which I believe is the most crucial issue for  
6 the future of our country.

7           And I'm very pleased to say that it does  
8 that, and by "access" I don't mean just getting  
9 students in the door. I mean broadening access to  
10 historically under-represented populations and  
11 progressing them through and out the door, which I  
12 think we still have some very significant challenges  
13 to face in higher education.

14           I think the report is very strong on  
15 access with its need-based aid components and its call  
16 for partnering between colleges and high schools to  
17 try to assure that students enter college better  
18 prepared. A second goal was to try to assure that  
19 issues important to community colleges and their  
20 students were well represented in this report.

21           Too often, although we serve nearly half  
22 of the undergraduate students in the nation, we are  
23 the afterthought when people converse about higher  
24 education. And we are front and center in the issues  
25 that this report addresses. And so I want to thank my  
26 colleagues on the Commission for working to assure

1 that issues important to America's community colleges  
2 and their needs are well represented in this report.

3           Finally, I wanted to make sure that we  
4 created a report that did something good for the  
5 students who are enrolling in higher education. I  
6 listened to the powerful testimony by the students who  
7 are taking on these incredible loan burdens that are  
8 compromising their capability to even pursue the  
9 careers that they would most like to pursue, and where  
10 we need them to work in this economy.

11           I am very pleased that this report calls  
12 for a substantial increase in need-based aid, and for  
13 a dramatic simplification of the federal financial aid  
14 process, which again I think is very, very important  
15 to these historically under-represented populations  
16 that must come into our institutions.

17           Finally, I'm glad because community  
18 colleges are very front and center in issues of  
19 workforce preparation, that this report has strong  
20 recommendations on adult and workforce preparation,  
21 which I think we again don't focus on enough when we  
22 speak about higher education.

23           I am pleased to have been a part of this  
24 process, and I, too, pledge my commitment to doing all  
25 that I can to help the recommendations in this report  
26 to be advanced in higher education.

1 CHAIRMAN MILLER: Thank you very much,  
2 Charlene.

3 Catherine Reynolds.

4 COMMISSIONER REYNOLDS: I, too, would like  
5 to thank the Secretary, my fellow Commissioners, the  
6 staff, and, of course, our Chairman, Charles Miller.  
7 I believe this is a very powerful initiative to help  
8 create an educated citizenry. And I think the report  
9 reflects strong statements about access and about the  
10 need to give more funding to the needy, which I  
11 support very strongly.

12 And while there has been a lot of  
13 discussion about the cost of higher education, I still  
14 believe that it is the best investment we can make as  
15 a country and by individuals. So with that, I pledge  
16 my support for this report.

17 Thank you.

18 CHAIRMAN MILLER: Thank you, Catherine.

19 Sara Martinez Tucker.

20 COMMISSIONER TUCKER: Thank you, Mr.  
21 Chairman. I'm going to start with the staff, because  
22 I think the staff did a tremendous job in enabling a  
23 lot of our contentious debate and bringing us  
24 together. Thank you, Mr. Chairman, and thank you to  
25 my fellow Commissioners.

26 I'm reminded that high school -- that

1 college graduations, many of the commencement speakers  
2 often exhort the graduates that it isn't the ending  
3 but it's the beginning. And I think in a sense that  
4 that's the same -- true for us.

5 This report makes six strong statements.  
6 The first is that we want every American child to  
7 graduate high school ready for post-secondary  
8 education. The second is that we want to make sure  
9 that these students are able to afford education both  
10 by having more resources, and, second, by keeping the  
11 cost of education affordable for Americans.

12 We're asking our colleges and universities  
13 to ensure that the product that they sell to the  
14 students is indeed a good product, and that they  
15 continue to innovate to ensure that that statement is  
16 true for future generations.

17 We're asking for an increased focus in  
18 fields that are important for our global  
19 competitiveness. And, lastly, we're asking us all to  
20 become lifelong learners.

21 But as we make our recommendations and  
22 gather today to endorse these six strong statements, I  
23 want to encourage us to remember that this national  
24 dialogue that we've had thus far to get us to this  
25 point is only the beginning.

26 As several others have said, the devil is

1 in the details, and if we don't enable or facilitate  
2 the better alignment between high school standards and  
3 college admission, if we don't restructure financial  
4 aid to get more resources to the needy, if we don't  
5 continuously innovate and keep college affordable,  
6 then we will have failed as a Commission. And so my  
7 hope would be that this dialogue that we've started is  
8 a dialogue that my Commissioners and I will continue  
9 to have with the Secretary to ensure that we implement  
10 these proposals for the good of our country and for  
11 the good of our students.

12 CHAIRMAN MILLER: Thank you, Sara, very  
13 much. I'm reminded that I didn't identify everyone  
14 that was on the phone. Governor Hunt talked, but Dr.  
15 Duderstadt is on the phone, Arthur Rothkopf, Richard  
16 Stephens, Louis Sullivan, and Robert Zemsky, members  
17 of the Commission. So I apologize for that, not  
18 saying that earlier. I just made the statement they  
19 were there without identifying them.

20 I know Dr. Zemsky has in his DNA that he's  
21 going to be last everywhere, so I hope he doesn't mind  
22 being in that position now. But next on our list  
23 would be Dr. Richard Vedder.

24 COMMISSIONER VEDDER: Thank you, Mr.  
25 Chairman. Continuing this higher education love  
26 fest --

1 (Laughter.)

2 -- I am certainly proud to be a part of --  
3 I want to not only echo what people have said about  
4 thanking Secretary Spellings, Chairman Miller, and the  
5 staff, but I think we ought to at least mention the  
6 names of a few of the staff people. And I'm not --  
7 there's Cheryl Oldham over here, who is the Staff  
8 Director, Vicky Schray, Eleanor Schiff, and Kristen  
9 Vetri, among others, and I'm sure the Chairman will  
10 fill in more at the end. But they've been most  
11 helpful in this.

12 Now, my take on this is a little different  
13 than some of the others, but it comes to the same  
14 conclusion. For me it was a tough decision to decide  
15 how to vote on this report. But the bottom line is  
16 that the report's recommendations, if adopted, will  
17 improve higher education in the United States and will  
18 improve the quality of life for the American people.  
19 That's an important bottom line.

20 However, let me mention in passing some of  
21 my concerns, and not out of criticism of what we've  
22 done, about what we perhaps didn't do. My concerns  
23 are more -- about more of errors of omission than  
24 commission. No pun intended.

25 The report says virtually nothing about  
26 the more than \$80 billion student loan industry, and

1 the small effort that the chair made to say something  
2 about that was removed because of a good deal of  
3 protest, which to me is perhaps a bad omen for the  
4 future of the recommendations of the Commission.

5 We do not speak about the deplorable lack  
6 of intellectual diversity and the stifling of freedom  
7 of expression on some campuses. We say nothing about  
8 the hedonistic culture and the lack of high  
9 performance expectations at some universities, as is  
10 symbolized by such phenomena as grade inflation.

11 We do not speak of concerns raised by  
12 Harry Lewis and others about the indifference of  
13 faculty at some campuses about the broader moral,  
14 cultural, and civic development of young adults. We  
15 say nothing about the lack of coherence in our  
16 curriculum. And perhaps we overly stress in this  
17 report the vocational dimensions of higher education  
18 relative to other objectives such as the furtherance  
19 of the advancement of western civilization in its  
20 broadest dimensions.

21 We do not say enough about research -- a  
22 point made by some other university people. And with  
23 respect to research, we say nothing about the  
24 deplorable current tendency of politicians -- and I  
25 will name names, members of -- well, I won't name  
26 names, there's too many of them --

1 (Laughter.)

2 -- members of Congress to politically  
3 interfere in the rational allocation of research  
4 resources. Yet having said all this, I think we say a  
5 lot of useful things in this report. As others have  
6 mentioned, coming -- being the victim of alphabetic  
7 discrimination, although not as much as Mr. Zemsky and  
8 Mr. Ward and Mr. Vest, I -- nearly everything has been  
9 said.

10 But this report does move to make colleges  
11 more efficient, more affordable. We aim to help lower  
12 income and disadvantaged persons of all ages,  
13 including adults, enter college. And above all, we  
14 advocate greater transparency and measurement of  
15 outcomes, which I think in and of itself, is an  
16 innovation of potentially transcendental importance if  
17 it is adopted.

18 Therefore, I, too, will sign the report.

19 CHAIRMAN MILLER: Thank you, Rich.

20 Dr. Charles Vest.

21 COMMISSIONER VEST: Mr. Chairman, I agree  
22 with what my colleague Rich Vedder has said in the  
23 sense that this report does not address everything  
24 about higher education that could be, and perhaps even  
25 should be, addressed. But I think it addresses some  
26 very important issues, and I certainly intend to vote

1 favorably on Governor Hunt's motion to adopt this  
2 report.

3 I wanted to say very briefly that there  
4 were two things that I valued above all else, both in  
5 service on this Commission and in terms of the report  
6 that we have drafted. The first is that this  
7 Commission represents the huge breadth of post-  
8 secondary education in the United States.

9 We all know a lot about research  
10 universities and colleges, but it was very important  
11 that at the table we had people engaged in distance  
12 learning, community colleges, for profit as well as  
13 not for profit, and I hope that this is the beginning  
14 of a broader and more continuous dialogue among these  
15 groups, and that we come to think of ourselves more as  
16 a system, not something that is mandated or oppressive  
17 but that through working together we come to think  
18 about the entire breadth of post-secondary education.

19 I value that.

20 Secondly, I am extremely grateful to my  
21 fellow Commissioners and our Chairman and everyone  
22 else involved that this report has very  
23 straightforward language about the importance in this  
24 country of racial diversity and economic diversity and  
25 the lack of access and opportunity that some groups  
26 feel much more strongly than others.

1           And as I said at one of our earlier  
2 meetings, I believe that the most important thing the  
3 Commission could do was to make a bold and meaningful  
4 statement and proposal about reforming our financial  
5 aid system and investing more in need-based grant aid  
6 for our students. And I'm grateful that the group did  
7 just that.

8           I also want to comment very quickly on  
9 three other things. One is that as Rich has said, we  
10 do pay a lot of attention to what the country has to  
11 do in terms of generating knowledge and knowledgeable  
12 citizens to be competitive, and I would like to always  
13 emphasize and to lead in the complicated global  
14 economy in which our new generation lives and works.

15           We recognize excellence up front. We  
16 almost take it for granted. But we recognize -- I  
17 would like to emphasize today that this is not about  
18 excellence in education just for its own sake. It is  
19 about sustaining and enhancing the excellence of our  
20 total post-secondary education system to produce  
21 knowledge and to produce an educational capacity for  
22 our nation and, indeed, for the world.

23           I believe -- and these are my words, not  
24 the report's -- that I read this report as calling for  
25 three things -- innovation, reform, and investment.  
26 It calls for creating an infrastructure and an

1 environment in which innovation, reform, and  
2 investment can take place.

3 The report emphasizes the first two more  
4 than the third, although the investment is in there,  
5 and the call for investment in financial aid, the call  
6 for investment in research, and I believe that we have  
7 stressed the need for innovation and reform in higher  
8 education because it is through those two things that  
9 we will earn the investments on the part of our  
10 federal governments, our state governments, and our  
11 private donors that will enable us to provide  
12 excellence, access, and opportunity to our citizens.

13 Thank you.

14 CHAIRMAN MILLER: Thank you, Chuck, very,  
15 very much.

16 Dr. David Ward.

17 COMMISSIONER WARD: I guess I may be  
18 providing the rain on this unanimous reaction to the  
19 report. I do share with everybody a very positive  
20 reaction to the report, but that in its entirety I  
21 feel reluctant to sign it. Let me say a little bit,  
22 and also mention in the beginning that the concerns  
23 that I have had and have been expressed have been  
24 received courteously and with frankness.

25 And I do appreciate, the chair and I have  
26 had many dialogues over differences and similarities

1 amongst us and the staff work. So as somebody who has  
2 some apprehension about some of the material, I still  
3 feel strongly that the process gave a voice of  
4 moderate dissonance, certainly its place and respect.

5 We have clearly defined key issues.

6 The --

7 COMMISSIONER DUDERSTADT: Could I ask if  
8 you could get closer to the microphone and speak up?  
9 It's a little hard to hear.

10 COMMISSIONER WARD: That we have certainly  
11 defined the key issues. I'm almost entirely  
12 supportive of the material on access, and I think in  
13 other areas much of it I find important, particularly  
14 the idea of transparent accountability.

15 Where I think I have apprehension is that  
16 I wish that we could have built our arguments more on  
17 the strength of higher education than on the idea that  
18 there may be a crisis or even an emerging crisis. I  
19 know this is a bit of a tightrope, but I would wish  
20 that we could have said a little more about best  
21 practices and how best practices that are currently  
22 occurring in a very hopeful way could have been scaled  
23 up, so that in a sense we're not moving from a base of  
24 nothing but from a base of strength.

25 My second issue is, and it has already  
26 been mentioned by Chuck, and I think by Jonathan,

1 higher education -- and certainly the membership of my  
2 association -- is very varied, whether we think of  
3 community colleges, preparatory schools, distance  
4 education, major research universities.

5 And there is a tendency as one sizes up  
6 problems and tries to generalize about those problems.

7 The solutions and the analysis has a sort of one size  
8 fits all to it. I think we've avoided that overtly,  
9 but I think as we move forward the sense that one size  
10 fits all, whether it be accountability or how you  
11 manage financial aid, is something that I would just  
12 provide a caution about.

13 The third observation I would make -- and  
14 it comes back to Chuck Vest's comments about  
15 innovation, access, and investment -- even if we  
16 achieve our goals of cost containment and more  
17 effective institutions, even if we have transparent  
18 accountability that makes visible the limitations and  
19 strengths of higher education, there will still in my  
20 view be an enormous fiscal challenge of creating the  
21 investment resources to create the need-based grants  
22 that sustain our democracy.

23 I think we have not quite got our arms  
24 around the sheer challenge of combining high access  
25 and high quality, and what the balance between  
26 individual responsibility, the state responsibility,

1 and the university's responsibility may be. It's a  
2 three-legged stool, and how those proportions are  
3 assigned I think in this report there is a slight  
4 tendency, and I'd just say a slight tendency, to  
5 attribute some problems almost entirely to higher  
6 education when there are multiple factors involved in  
7 creating those problems.

8 Finally, let me say that I valued and  
9 learned a great deal from this Commission, and it is,  
10 I think, the beginning of a dialogue, not the end of a  
11 dialogue. I think I personally, because of the role I  
12 play, can be more effective if I am free to contest  
13 not many but some pretty critical aspects of this  
14 report as we move forward.

15 So it is in sharing with many of the  
16 members of this Commission the very positive, forceful  
17 demand for change and reform, but that I have some  
18 apprehension about some of the details and some of the  
19 implications of the solutions as we look at both the  
20 fiscal realities and the sheer diversity and magnitude  
21 of higher education.

22 Thank you, Mr. Chairman.

23 CHAIRMAN MILLER: Thank you, David.

24 Dr. Duderstadt. James Duderstadt.

25 COMMISSIONER DUDERSTADT: Yes, thank you,  
26 Mr. Chairman.

1                   CHAIRMAN MILLER: Thank you.

2                   COMMISSIONER DUDERSTADT: I'd like to join  
3 with others in commending the members of the  
4 Commission for the dedication and the wisdom they have  
5 devoted over the past several months to this task. As  
6 Chuck has mentioned, I think one of the very strengths  
7 of the Commission was its diversity, and it also made  
8 the task of converging on chief recommendations and  
9 drafting the report a considerable challenge.

10                   And in this regard, I really must commend  
11 the chair and the staff of the Commission for not only  
12 their responsiveness to our many suggestions and  
13 concerns, but their skill in weaving together this  
14 dialogue through a process that has allowed us to  
15 arrive together at a series of recommendations that  
16 are both powerful and extremely important to the  
17 future of higher education and its capacity to serve  
18 the nation.

19                   In running through this very quickly, at  
20 the 100,000-foot level, removing the barriers to  
21 enable access to the success in higher education for  
22 all Americans, restructuring financial aid, calling  
23 for the transparency, accountability, and commitment  
24 to public purpose, that I think we believe is  
25 necessary to earn public trust and confidence,  
26 investing in innovation, calling for commitment to

1 lifelong learning, and responding to the unfairness of  
2 a global knowledge economy. These are very strong  
3 recommendations of immense importance.

4 Like others on the Commission has  
5 mentioned thus far, there are details in the report  
6 that, like many of you, I would frame somewhat  
7 differently. But I think the recommendations are so  
8 compelling, and the report more generally is so  
9 important that it's deserving of our strong support  
10 and it certainly will have mine.

11 And I really agree with Governor Hunt that  
12 our attention must now turn to how each of us can lend  
13 our support to the task of making these  
14 recommendations a reality. There's going to be a lot  
15 of heavy lifting in the months and years ahead to  
16 bring these recommendations into action, and that's  
17 how I think we can best serve the nation.

18 Thank you very much.

19 CHAIRMAN MILLER: Thank you, Jim.

20 Governor Hunt, I was going to skip you  
21 this round. Are you there still, sir?

22 COMMISSIONER HUNT: I'm here, yes, sir.

23 CHAIRMAN MILLER: And come back toward the  
24 conclusion, so if you have something more to add after  
25 this for your motion.

26 Arthur Rothkopf.

1                   COMMISSIONER ROTHKOPF:    Yes, thank you,  
2                   Charles.    I would like to particularly commend the  
3                   Chairman and the staff, as others have said, for  
4                   pursuing and developing a process that I think has  
5                   brought together a group that started in very  
6                   different places.    There were skeptics out there,  
7                   including members of the press who said this  
8                   Commission couldn't get together on recommendations,  
9                   couldn't agree on things.

10                   And as the process developed under your  
11                   leadership, Mr. Chairman, we, I think, have gotten to  
12                   a place where I think the vast majority of us feel  
13                   very, very comfortable where we are.    There are things  
14                   that are not said.    There are recommendations some of  
15                   us might have liked that are not in this report.    But  
16                   we have a report that hits the high points, and in  
17                   many ways it is right that we be looking at a limited  
18                   number of very significant recommendations on the  
19                   very, very key issues that are here.

20                   And let me just make a point about the  
21                   process, and that is over the past several months  
22                   there has been a national dialogue.    All these groups  
23                   that have come before us in person or in writing who  
24                   have presented their views, not only have those views  
25                   impacted those of us on the Commission, but I also  
26                   believe that we're starting to see some movement in

1 higher education.

2 I would particularly commend the land  
3 grant institutions under the leadership of Peter  
4 McPherson, beginning to look at opportunities for  
5 outcome assessment and more transparency. Similarly,  
6 the AAU group, which has come forward, and begun to  
7 look at options. That is happening because this  
8 Commission has been in existence, and because of what  
9 we've talked about and the issues of assessment and  
10 accountability.

11 And I think what is happening is that at  
12 least parts of higher education are beginning to focus  
13 on the problems and begin to focus on solutions. I  
14 think there are a couple of areas where I think we  
15 have done exceptionally well. I think the issue of  
16 access is number one and probably number for all of us  
17 when we met and put our preferences on board.

18 And I think the focus needs to be on need-  
19 based aid, and another of those is that we can't  
20 change the system. And some of these programs are out  
21 there, and they're in the law, or they're in practice.

22 I think we have to look at where financial aid, where  
23 tax credits are, where private institutions are giving  
24 so-called merit aid.

25 All that merit aid is taking money away  
26 from those who need the money the most, and I would

1       urge that those institutions and those government  
2       agencies that are funding merit aid ought to look as  
3       to whether that's the right thing to be doing. And I  
4       think we have put that issue on the table.

5               Overall, I think we have come up with a  
6       very powerful report, a report that I think will serve  
7       the country well, and will move us in the direction of  
8       having -- being able to meet our competitive needs.

9               And let me just conclude with a plea to  
10       the private institutions out there. I was, I think  
11       most of you know, president of a private institution  
12       for 12 years, very active at both the state and  
13       federal level in the associations, in the independent  
14       sector. And I'd have to say -- and I've said this to  
15       the president, that I -- I've said it privately, and  
16       I'll say it publicly, I think there has not been a  
17       sufficiently positive response to try and deal with  
18       the issue, that the process may be beginning.

19               So I think the private sector, which is  
20       affected very much by these issues of transparency and  
21       accountability, need to take a hard look at what we're  
22       recommending and not just as a reflex say no. I think  
23       it's important for the private sector to be open, and  
24       I want to urge the presidents of private institutions  
25       to read this report and see what it actually says and  
26       recommends before taking an approach of, gee, this

1 can't be done.

2 We I think have done a remarkably good job  
3 of putting these important issues on the table. I  
4 think we've got a series of good recommendations. We  
5 want to deal with people as we go forward, and I'm  
6 committed to do whatever I can to help implement what  
7 I think is a remarkable document.

8 So, again, thank you to the Chairman,  
9 thank you to the staff, and to my fellow  
10 Commissioners.

11 CHAIRMAN MILLER: Thank you, Art.

12 Ricky Stephens.

13 COMMISSIONER STEPHENS: Mr. Chairman,  
14 thanks very much. I, too, would like to echo the  
15 thoughts that many already have about, you know,  
16 thanking the Secretary, certainly not least the staff,  
17 and fellow Commissioners, and you, Charles, for  
18 herding us as we've gone through this process.

19 I've learned much over the last year from  
20 a -- what I consider a diverse group of fellow  
21 Commissioners. We have worked hard to understand our  
22 respective positions, and I think it has been very  
23 important that we've been able to align around a set  
24 of common values and expectations of higher education.

25 I think page 3 of the report delineates  
26 those in those five bullet points that are in the

1 middle of the page. And I think that unto itself is  
2 extremely important, because any time we're trying to  
3 talk about the level of change that we've discussed,  
4 particularly in the areas of access, cost,  
5 affordability, financial aid, learning,  
6 accountability, and as was just mentioned the  
7 significant importance about transparency, so long as  
8 we have a set of expectations we can rally around we  
9 may differ in how to implement those expectations, but  
10 the focus for our success will in fact be around  
11 making sure we're all aligned to state that's the  
12 direction that we're going.

13 I think going forward we have much to do,  
14 as a nation, to begin alignment, and there are a  
15 number of us now prepared to help support that. But  
16 as was pointed out earlier on by many, we have some  
17 heavy lifting yet to do, and our work has just begun.

18 You have my commitment to help support  
19 implementation and continue the debate to get  
20 alignment about how we press forward, and I will  
21 enthusiastically sign the report.

22 CHAIRMAN MILLER: Thank you, Rick.

23 Dr. Sullivan, Louis Sullivan. May have  
24 lost him. That's a shame. Dr. Sullivan?

25 (No response.)

26 Dr. Zemsky, you may have the honor of not

1 being last. Would you try to speak up? Dr. Robert  
2 Zemsky.

3 COMMISSIONER ZEMSKY: Charles, I don't  
4 know who is going to be most uncomfortable about the  
5 fact that I have near the last word on this, you or  
6 me.

7 (Laughter.)

8 CHAIRMAN MILLER: I'll do it either way  
9 you want, Dr. Zemsky.

10 (Laughter.)

11 I would not be me if I did not say I was  
12 uncomfortable, if I did not say that I share some of  
13 David Ward's real interest. I pleaded, as you all  
14 know, that we ought to be long on recommendations,  
15 which as everybody has said are powerful, purposeful,  
16 and to the point, and short on surrounding noise.

17 And I think we're still too long on  
18 surrounding noise, and I think, Cheryl, when you talk  
19 about copy editing, I hope there really is a very  
20 strong copy-editing job done on this document.

21 And I really want to talk about things  
22 that Nick and Sara and Art said about going forward.  
23 And I think it's terribly important that we not only  
24 strap on our armor but we sort of understand the  
25 desert we're about to try to go off.

26 I don't know how many of you have been

1 reading all of your e-mails or whether I'm the only  
2 one that gets all these e-mails, but I have been  
3 really disheartened by the number of e-mails I have  
4 gotten from people who I think would naturally support  
5 our recommendations, and who have, for a variety of  
6 reasons, became extraordinarily hostile to our  
7 efforts.

8 The point is, as Art points out, they have  
9 stopped reading what we are writing. I think that --  
10 going forward in a way begins today, but we still  
11 suffer from what happened three months ago. And why  
12 we would all like to pretend it didn't happen, and  
13 that we came through the travail and we're all one,  
14 there are a lot of people out there who no longer  
15 believe in us. So that when we say we have heavy  
16 lifting to go forward, we are doing the heavy lifting.  
17 We have trust rebuilding.

18 I would remind my fellow Commissioners  
19 that higher education is a particular kind of  
20 enterprise where the easiest thing to do is to do  
21 nothing. And our whole thrust is to say you can no  
22 longer do nothing, you must do something.

23 More than that, you must do something  
24 purposeful and for the good of the nation, because you  
25 don't get people up and moving in your revolution by  
26 first telling them that they are on the wrong side --

1 David's right. We need to be sure that as we go  
2 forward we talk about building on strength and not  
3 building on weakness.

4 But the recommendations are strong, and I  
5 support them, and I will sign the document.

6 CHAIRMAN MILLER: Thank you very much,  
7 Rob.

8 Check one more time. Dr. Sullivan?

9 (No response.)

10 He has expressed support for the report; I  
11 am at liberty to say that. The two missing members --  
12 Kati Haycock and Gerri Elliott -- said the same thing.

13 So I'll just add that to the conversation.

14 Governor Hunt.

15 COMMISSIONER HUNT: Mr. Chairman, I have  
16 appreciated all of these comments. And I don't know  
17 exactly what you anticipate us doing after you go  
18 around, but I do want to say this. It's time to work.

19 As soon as this report is approved today, I hope that  
20 the Secretary, whose idea this was and who has given  
21 us wonderful leadership, that the President elected by  
22 America and whom the Secretary serves, you as our  
23 Chairman, and all of us as members of this Commission,  
24 will get ready to go forward with a specific plan to  
25 implement the proposal to this report.

26 I think that should be seen in proposals

1 by the President. I would hope that all of these  
2 major recommendations in our report would be reflected  
3 in proposals by the President to the Congress. I hope  
4 that the Secretary will very actively work for those,  
5 lobby those, testify to the Congress, and that you,  
6 Mr. Chairman, would do the same thing.

7 I would hope that we would also focus on  
8 the states. At one point, talking to President  
9 Nunley, she made the point that we can't let the  
10 states off the hook, and that is exactly right. The  
11 state should feel the urgency to -- in their own way  
12 to pursue these recommendations, and to put more  
13 resources into higher education. As has happened with  
14 the K-12 education, we need to have the governors very  
15 actively involved in this.

16 We need to have the business community  
17 pushing forward and very strongly for these changes.  
18 And we need to have the education leaders themselves,  
19 in particular all of the organizations there in  
20 Washington, D.C., who -- where they have their  
21 headquarters there, at least most of them, working  
22 very actively to make this come about.

23 So it's going to take very hard work, and  
24 this nation can do it. We've seen it happen before.  
25 It can happen again, but that's what's going to be  
26 required now. And I would hope very much as we vote

1 for this today, and we discuss it in all kinds of  
2 venues around America, that our elected leaders in  
3 particular to allow -- get ready to go forward and  
4 make this a very strong subject of America's  
5 discussion over the next years to come.

6 I would hope it would be discussed in  
7 political campaigns at all levels, that all of us  
8 would work together to make the very strong and  
9 powerful changes in higher education and our nation's  
10 commitment to it that's going to be required.

11 So, Mr. Chairman, I'm delighted to hear  
12 that -- the comments about this, the commitment to it  
13 that we heard in this discussion today, and I hope  
14 very much that you will spend the next several years,  
15 and the Secretary will, pushing forward on this just  
16 as you have done in leading what I think is the very  
17 fine work of this Commission.

18 CHAIRMAN MILLER: Thank you, Governor.  
19 I'm going to take that as a call for action. And if  
20 you would let me -- I think the Chairman is not  
21 supposed to technically talk about a motion, but  
22 rather than say something after the vote, just some  
23 comments in a general sense about the report.

24 I think there are some unique things about  
25 this report relative to higher education that are  
26 important. It's been covered by several people

1 already. Innovation and the focus on that is very  
2 important. For all of us in all parts of society that  
3 is important, and that was brought out by a major  
4 study from the Council on Competitiveness that we talk  
5 about by reference as we did The Gathering Storm and  
6 the President's American Competitiveness Initiative.

7           That's a harder thing to do than to say --  
8 and an institution which is proud to have stayed and  
9 been the fine institution it has been, higher  
10 education and to some extent protects its form, that's  
11 a harder thing to accept sometime, and I think that's  
12 a message -- that it's different in this report.

13           I think what's different is we focused on  
14 lifelong learning, the non-traditional students, and  
15 what we're going to see in the future, 70 percent or  
16 more of the students, so that instead of segmenting  
17 higher education, which is the tendency of the task  
18 force, the Commission, and looking at the way we're  
19 structured today, even with the diversity among those,  
20 and getting locked into the present as opposed to  
21 thinking of the future, we talk more about lifelong  
22 learning and the flexibility and responsiveness of  
23 that part of the system. And that is a very, very  
24 different approach.

25           I think that wouldn't have been the  
26 typical result of people from higher education only

1 that it helped -- we had the innovative people from  
2 higher education and people from other points of view.

3 I think several of you have said this, but I think  
4 transparency and outcomes accountability is different  
5 in this report, and that the Academy heard that early  
6 on and it acted very responsibly.

7 And I'm proud to say that AASCU and  
8 NASULGC and others have been receptive to that and are  
9 way ahead of where anybody would have thought they  
10 would have been a year from now. And I think that's  
11 the way it should be, that the higher ed systems heard  
12 that and have responded. And transparency breeds  
13 trust.

14 It's maybe the most important thing of all  
15 that we could say, and with that trust and innovation  
16 and reform, as Chuck Vest said, you get the  
17 investment. I think those are the orders in which you  
18 ask for funds, and we should make significant  
19 investments in higher education at every level and  
20 every place, including from the private sector.

21 I think the financial things that we said  
22 in the report are also unique that wouldn't have been  
23 in other kinds of reports. So I think when we look  
24 back at it they are futuristic-type focuses, they are  
25 not narrow, they aren't historically the way we did  
26 it, so in those new ways of looking at things I think

1 we've accomplished something that would be beneficial  
2 for the future, for higher education and public  
3 education and for the country.

4 So I thank you very much for your service.

5 I'd like to call for a vote signified by saying aye.

6 (Chorus of ayes.)

7 Opposed?

8 COMMISSIONER WARD: Mr. Chairman, I'd like  
9 the record to reflect that I will not be signing the  
10 report.

11 CHAIRMAN MILLER: Thank you very much.  
12 We'll record it that way. I'm going to assume that  
13 everyone else recorded affirmatively, and including  
14 the two people that are not here to voice that but  
15 gave me authority to do that.

16 Can't thank you enough for getting to this  
17 place efficiently with the most difficult -- hard work  
18 in process I've ever seen. I'd like to use this  
19 opportunity to do what some of you said, but also feel  
20 free to -- if you need to get up and move around or  
21 catch an airplane or get started, feel free to do  
22 that.

23 What about suggestions for how to go  
24 forward? What -- excuse me, David.

25 MR. DUNN: I'm sorry, Mr. Chairman. But  
26 if I might, and it's appropriate, just --

1 CHAIRMAN MILLER: Please.

2 MR. DUNN: -- express -- the Secretary  
3 asked me to express her thanks for, again, all of the  
4 hard work that -- from all of the Commissioners and  
5 the staff, everybody involved with this report. She  
6 -- I think her primary objective in naming this  
7 Commission a year ago is embedded in the title of the  
8 report, and that is a national dialogue around higher  
9 education.

10 And as many of the Commissioners have  
11 commented in the remarks, she clearly believes that --  
12 that dialogue has started. But also echoing what many  
13 of the Commissioners have said, we certainly shouldn't  
14 view this as the conclusion of that dialogue. And she  
15 is very much committed going forward to keeping that  
16 dialogue alive.

17 She is looking forward to reviewing and  
18 will commend to folks in the Department to do a  
19 thorough review of the recommendations. And I'm sure  
20 you'll be hearing words from her in terms of  
21 implementation in the not-too-distant future.

22 So, but I just wanted to take the  
23 opportunity to relay the Secretary's gratitude for all  
24 the hard work from each and every one of you.

25 Thanks.

26 CHAIRMAN MILLER: Thank you, David, very

1 much.

2 COMMISSIONER SULLIVAN: Mr. Chairman?

3 CHAIRMAN MILLER: Yes. Dr. Sullivan,  
4 welcome.

5 COMMISSIONER SULLIVAN: All right. Well,  
6 thanks very much. I was on at the beginning, but  
7 because I'm trying to do too many things, with  
8 apologies I had signed off. But I did want to call  
9 back to express to you and the members of the  
10 Commission and you, Mr. Chairman, my gratitude for  
11 your leadership and the great support.

12 And, secondly, to state that I fully  
13 support the report as it has been developed. And as  
14 you know, one of my concerns has been points of access  
15 to educational opportunities for the nation's poor and  
16 minorities, and I do believe the report addresses that  
17 in sufficient detail and commitment. So I feel very  
18 good about what has been developed there.

19 And my second concern has been, of course,  
20 the whole issue of access to graduate and professional  
21 education, but recognizing that the Commission is  
22 focused primarily on undergraduate education. I know  
23 that the focus of this report is appropriate, but I  
24 would hope that -- and I think as Jim Duderstadt has  
25 also suggested, that somewhere in the preamble there  
26 be a reference to the need for also having some

1 actions and some observations of the need for changes  
2 in graduate and professional education.

3 So that was my one other comment. That in  
4 no way detracts from my support of the report as it  
5 has been developed.

6 CHAIRMAN MILLER: Thank you, Dr. Sullivan.

7 We heard those comments, and we'll find a way to add  
8 that in the material.

9 COMMISSIONER ROTHKOPF: Mr. Chairman, it's  
10 Arthur Rothkopf. Just on your question of  
11 implementation, let me suggest this. I'm certainly  
12 more than willing to do it, and I'm sure other  
13 Commissioners will as well, to the extent that these  
14 issues come before the Congress, I think it would be  
15 important that, of course, the Secretary be there to  
16 promote that, but that also members of the Commission  
17 make themselves available for any such appearances.

18 In addition, as higher education groups  
19 and other groups meet on the report, and we all --  
20 some of us may not know about those meetings, I would  
21 really urge that the Department ask individual  
22 Commissioners or maybe groups of us to go before these  
23 organizations and explain our recommendations, and  
24 seek to persuade those who may be skeptics or may not  
25 quite understand what we're doing, or what we have  
26 done, to support these recommendations.

1           So I guess what I'm urging is that our  
2 group of 19, those who feel comfortable doing it, go  
3 out and sell these recommendations to policymakers, to  
4 Congress, to others, perhaps to editorial boards, to  
5 maybe run op-ed pieces, and these issues are debated,  
6 but that we not just disappear into the woodwork, but  
7 that we become active proponents of what has been  
8 proposed and which I think we as a Commission believe  
9 is important for the future of the country and for the  
10 students who will be in higher education.

11           CHAIRMAN MILLER: Thank you. Just as a  
12 matter of equity and friendship, I would just ask Dr.  
13 Zemsky to see if he would have a comment on that going  
14 forward, start at the end of the alphabet. Dr.  
15 Zemsky.

16           COMMISSIONER ZEMSKY: Yes, I'm here. I'm  
17 here. I'm glad I'm going to go first. I'll get into  
18 less trouble this way, I suspect.

19           I think what Art has said is right, that  
20 the report will have saliency provided it comes to the  
21 higher education community from our guide. I don't  
22 just mean those of us at universities. I think some  
23 of the things that Nick has said over and over again,  
24 and Rick Stephens has said over and over again, need  
25 to be heard in higher education.

26           What's an interesting thought, and would

1 make me much more comfortable actually, is get the  
2 report but sort of set forth through a group of  
3 messengers rather than believing a report like A  
4 Nation at Risk was going to be the catalyst.

5 I think if this is going to work, we as  
6 individuals have to be the catalyst, and I think that  
7 actually has real promise for the future.

8 CHAIRMAN MILLER: Thank you.

9 Dr. Vest.

10 COMMISSIONER VEST: Mr. Chairman, I, too,  
11 will stick my neck out. I'd like to suggest four  
12 near-term things that need to be done in my view as we  
13 in the Department of Education, the administration,  
14 leave the starting blocks.

15 One, I want to second something you said  
16 earlier, and I see my colleague Peter McPherson here.

17 I think one of the most important things is for  
18 NASULGC to continue its good work and propagate it  
19 across the higher ed community and advertise what has  
20 come from within, from our faculties, from our  
21 administration, inside out, from bottom up, to address  
22 some of the issues of transparency and accountability,  
23 and so forth.

24 Second, no matter how we look at it,  
25 Secretary Spellings will be faced with a large menu of  
26 possible things to drive and prioritize. And I would

1     urge her to first and foremost pick up our  
2     recommendations regarding restructuring and  
3     reinvesting in need-based financial aid, and work  
4     through the administration to put a serious  
5     legislative package together. That would be  
6     personally my first priority.

7             Third, because things are happening even  
8     as we sit here, there is very important innovation  
9     legislation in the Congress right now that reflects  
10    the work you, Mr. Chairman, referred to earlier -- the  
11    President's American competitiveness issue, the  
12    Council on Competitiveness' national innovation  
13    initiative, and the National Academy's Gathering Storm  
14    report.

15            I would urge all of us from business,  
16    higher education, the administration, and the  
17    Congress, to move aggressively as soon as folks are  
18    reconvened at the end of the summer to move that  
19    legislation forward. Among other things, that will  
20    assure some of our critics who do not recognize that  
21    we do realize the excellence and importance of our  
22    research universities and of innovation for the  
23    nation's competitive future.

24            And, finally, within the higher education  
25    community, I would pick up on something that was said  
26    a little bit ago -- and, David, I believe it was you,

1 I'm not sure. The simplest thing we can do is start  
2 sharing best practices. There is a lot of good  
3 thinking, good change, good innovation out there in  
4 our colleges and universities, and I think we in the  
5 community simply need to take it upon ourselves to  
6 advertise that, to share it, to promulgate it, and  
7 that's the fastest way forward.

8 Thank you.

9 CHAIRMAN MILLER: Excuse me. On the  
10 latter, we talked about including that in part of the  
11 report.

12 MS. OLDHAM: We did. Initially, we had  
13 some sort of models, best practices that we sent  
14 around to everybody that was included in the initial  
15 draft, sort of sidebars to be included in the report,  
16 and that was our sort of plan as we go forward with  
17 the layout, to highlight various models in the report.

18 CHAIRMAN MILLER: And to add to that over  
19 time, and my recommendation and advice would be for  
20 the Secretary to find as many of those as we can, and  
21 -- excuse me for this informality -- reach out and put  
22 our arms around them. In other words, to really  
23 highlight those from her bully pulpit or whatever.  
24 That would be one of the pieces of advice. And so  
25 could any of the members here, that we should  
26 highlight those really innovative ideas.

1                   COMMISSIONER HUNT: Mr. Chairman, this is  
2 Jim Hunt again. There have been a lot of good  
3 comments about the work of the staff, and they've done  
4 an excellent job. I would hope very much that the  
5 Secretary would ask the staff, or at least a good  
6 number of them, to continue to work on this just as  
7 they have, as we have developed this report, to  
8 continue to focus on implementing these proposals, you  
9 know, for the years to come.

10                   If this wonderful staff has to now turn to  
11 other things and get their mind off this ball, we're  
12 not going to bring about the changes that we're  
13 proposing here and that America needs. So I would  
14 hope very much that she, with your encouragement and  
15 your leadership, would continue to have a large part  
16 of this staff to put this now on implementation and  
17 work on it every single day.

18                   CHAIRMAN MILLER: I don't want to speak  
19 for the Secretary, but I -- I agree with what you  
20 said. I think what I could say is I think she is  
21 prepared to put her efforts into this issue, that she  
22 has heard the national dialogue, she is going to study  
23 the report, there will be some statements about what  
24 her plans would be in both the near future, and I  
25 expect when we present the report to her formally,  
26 which probably is mid-September, we'll begin to hear

1 from her and from the Department about specific plans.

2 So I think this is just -- this isn't the  
3 finality of the Commission. In the technical sense,  
4 we do this formality in mid-September, and I think at  
5 that time she would have studied and been able to  
6 respond more definitively.

7 COMMISSIONER HUNT: And I would hope that  
8 she would call us, the staff would suggest places that  
9 different members of the Commission might go to speak  
10 to be a part of a panel. But different ways that we  
11 can move forward and talk to the people and encourage  
12 action that's going to be necessary.

13 CHAIRMAN MILLER: I'm sure she would be  
14 responsive to that very much.

15 COMMISSIONER ROTHKOPF: Mr. Chairman,  
16 those are great statements. I think along those  
17 lines, I think that it would in fact be helpful that  
18 after the report is presented to the Secretary if she  
19 can give us some guidance about her expectations of  
20 us. As I think we've all talked about, you know, many  
21 of us, if not all of us, are clearly prepared to help  
22 us support the dialogue.

23 Having a forum that keeps us aligned and  
24 integrated will be critically important. If the  
25 Commission comes to an end when the report is  
26 submitted, as I think it is currently characterized,

1 it certainly I think creates a bit of limbo about how  
2 best to go work that. So I would urge that at least  
3 we get some feedback from the Secretary on her  
4 expectations, and I think many of us are prepared to  
5 continue to serve.

6 CHAIRMAN MILLER: We'll pass that on. She  
7 has a vacation scheduled now, and I told her she  
8 didn't have to stay for the meeting. So she has gone  
9 on to her vacation, or she would be here and be  
10 listening to you. But she'll hear what you're saying.

11 Go ahead, Dr. Vedder.

12 COMMISSIONER VEDDER: Yes. When Governor  
13 Hunt said the Secretary should energize the staff, I  
14 thought he was going to -- I was hoping he was going  
15 to say he ought to throw a party for the staff,  
16 because they are much deserving of some sort of  
17 accolades for their tremendous work.

18 And also, Governor Hunt said earlier  
19 something that as we get into the implementation  
20 stage, and I completely agree with Art Rothkopf who  
21 set the tone for this discussion with Chuck, and Bob  
22 Zemsky who I have actually grown to like and even  
23 agree with on occasion as this process has gone along,  
24 which is somewhat unexpected, that I think Governor  
25 Hunt mentioned something earlier that in terms of  
26 implementation we cannot forget that a lot of what

1 higher education does is at the state level.

2 We talked for example about moving to more  
3 emphasis on need-based financial aid. A lot of these  
4 financial aid programs are state-based programs. The  
5 Georgia Hope Scholarship Program is a model for many  
6 other states. We need to get in the state  
7 legislatures. And of course, obviously, some people  
8 are better in some states than others, given their  
9 geographic locations.

10 But I think in pledging, not only should  
11 we agree to come to Washington and testify before  
12 Congress, which is of course important, and write for  
13 editorial boards, meet with editorial boards, and all  
14 of that other stuff, all of that is very important.  
15 But we need to get out where the action is.

16 Still, two-thirds of higher education in  
17 the United States is publicly funded, and a majority  
18 of the funding to the institutions themselves still  
19 come at the state and local level. And we cannot  
20 forget that.

21 CHAIRMAN MILLER: Thank you.

22 Dr. Nunley.

23 COMMISSIONER NUNLEY: I want to affirm  
24 what Dr. Vedder just said as a person who spends a lot  
25 of time in those state legislatures and as a person  
26 who looked at Maryland performance on the Measuring Up

1 report and found our affordability measure very low,  
2 and was told the reason why was because our state  
3 support for need-based aid was so low. And so we do  
4 need to make sure that the power of these  
5 recommendations be carried forward.

6 I would make one other comment. As a  
7 college President, I cannot ever remember an idea or  
8 concept that has been brought forward that met with  
9 universal acclaim in my own institution. I think  
10 those of us who work in higher education understand  
11 the nature of deliberative dialogue that tends to go  
12 on in academia. It is a good thing.

13 I believe that there will be dissension,  
14 concern, conversation, around the recommendations in  
15 this report, and I don't believe we should be  
16 discouraged by that. I think we should be encouraged  
17 by that.

18 I think planting the seeds for  
19 conversation is a good thing, and ongoing dialogue and  
20 debate can lead to an even better place from a very  
21 good place where we are. So understanding the  
22 circumstances of one institution, I can certainly  
23 understand the circumstances that David Ward faces in  
24 dealing with a multiplicity of institutions with  
25 multiple roles.

26 But, again, I want to emphasize that part

1 of our follow-up process should be to encourage the  
2 dialogue and debate and to not be overcome by the  
3 dissension that may come forward, but to use that to  
4 take higher education to a better place.

5 CHAIRMAN MILLER: Thank you.

6 Sara.

7 COMMISSIONER TUCKER: Mr. Chair, echoing  
8 some of the comments that have been made before, I  
9 have three suggestions for implementation. the first  
10 is -- and we've talked -- Rich talked about it a  
11 little bit. The six recommendations are so far-  
12 reaching and diverse, and each involves different  
13 stakeholders.

14 I do think that it would be important for  
15 us to identify possible champions that could lead the  
16 effort to make sure that it's coordinated and that all  
17 efforts are aligned. So establishing champions for  
18 all six and the accountability for implementation for  
19 all six I think is important.

20 The second is I couldn't agree with Chuck  
21 more. We need to have a prioritization to see which  
22 are the ones that will bring us quicker results  
23 sooner, and I happen to agree that the restructuring  
24 of financial aid and the focusing of more resources to  
25 need-based is probably important. But I think an  
26 implementation plan -- and I encourage the staff to

1 think through and what order we might want to think  
2 about these.

3           And then, to the point that Rick Stephens  
4 was making, and others have suggested, not only is  
5 there an ongoing role for us between meetings as it  
6 were, but I think that the Secretary should ask us to  
7 reconvene formally to gauge progress on where we are  
8 and to hear from these champions on progress made, so  
9 that we can understand whether more work is required  
10 to get these six recommendations implemented.

11           So the three -- ownership, prioritization,  
12 and then frequent checking on progress I think is  
13 important for us.

14           COMMISSIONER DONOFRIO:    Mr. Chairman, I  
15 agree with all of what has been said by my colleagues,  
16 but let me just add that we need business to support  
17 this as well.    We need a strong effort to get the  
18 industrial sector of the country, the business sector  
19 of the country, behind this initiative.

20           I commit to do that.    I commit to help you  
21 and the Secretary in any way and every way I can,  
22 because, after all, in the end 70 percent of what  
23 comes out of higher education actually ends up being  
24 employed by the businesses that make up the economy of  
25 the United States.

26           CHAIRMAN MILLER:    Thank you for saying

1 that, because I agree wholeheartedly with that  
2 necessity as well as the goodwill that that shows,  
3 because I think of all the sectors of the country they  
4 understand, admire, and appreciate the value of it,  
5 and need that the most. So I thank you very much for  
6 bringing that up.

7 Any other comments? Bob.

8 COMMISSIONER MENDENHALL: Mr. Chairman, I  
9 think during the course of our deliberations there has  
10 been a lot of discussion about how much of what we're  
11 recommending is mandated or pushed on institutions and  
12 how much institutions can individually take the lead.

13 As one of the active university presidents  
14 at the table, I want to commit our university to take  
15 a leadership role in implementing the recommendations  
16 of this report. We actually announced recently that  
17 we're not going to increase tuition at all in the  
18 current year. I don't know whether we'll be able to  
19 increase productivity fast enough to keep that flat  
20 forever, but that would be our goal.

21 We've also created a fund for need-based  
22 scholarships specifically to allow additional students  
23 in need to come to the university. You know that we  
24 already measure learning and make it a condition of  
25 graduation, but we've made a commitment with our board  
26 to publish data on results and outcomes from the

1 university.

2           And I would just encourage my colleague  
3 presidents from universities and colleges around the  
4 country to join with us in taking these  
5 recommendations to heart and implementing them one at  
6 a time, one institution at a time, and I believe we  
7 can make a great difference in higher education in  
8 that way.

9           CHAIRMAN MILLER: Thank you. That's a  
10 wonderful offer and wonderful advice.

11           Dr. Madrid.

12           COMMISSIONER MADRID: Mr. Chairman, in my  
13 eagerness to comment on the report, I neglected to add  
14 my appreciation for your work and for the Secretary's  
15 engagement in this initiative, and, of course, for the  
16 staff's very good work. So I join my colleagues in  
17 that.

18           I want to close by saying that I am  
19 particularly heartened not only by the thrust of the  
20 report with respect to addressing those folks who need  
21 the most help, but I'm hoping also that the  
22 institutions that are charged with this also get the  
23 support that they require.

24           I'm also gratified to see that the fund  
25 for the improvement of post-secondary education, which  
26 I had the privilege and honor of serving as Director

1 of, has appeared in our report, and that it will be  
2 refocused and revitalized and you can contribute to  
3 the effort.

4 And, finally, I hope that we as a  
5 Commission, with the support of the Secretary's  
6 office, can get the word out to our colleagues in  
7 higher education. Many years ago I served on a WICHE  
8 task force, the Western Interstate Commission on  
9 Higher Education task force, and produced a report. I  
10 recall it was a very useful, important report  
11 addressing education in the west.

12 And our Director went around the states  
13 talking to people about the report, and in one  
14 conversation with the Chief Executive Officer he asked  
15 if the Chief Executive Officer had read it. And the  
16 Chief Executive Officer said, "Not personally." And I  
17 hope we don't have that kind of a situation with this  
18 report. Let's make sure that people do read it.

19 Thank you.

20 CHAIRMAN MILLER: Thank you very much,  
21 Arturo.

22 Any other comments or observations?

23 (No response.)

24 What an efficient group, hardworking,  
25 dedicated, and what a privilege and an honor for me to  
26 serve with all of you. I'm committed to follow up on

1 all of these recommendations and to help you all do  
2 what you offered to do. I don't feel this is the  
3 final step for the Commission, even though we've made  
4 the most important stage of it.

5 We ought to have a presentation process to  
6 the Secretary formally when the report has been  
7 finished literally, and I would guess some time in  
8 mid-September. And in the meantime we're pledged to  
9 continue the discussion and dialogue and the plans for  
10 the future for whatever way we can support or offer  
11 that, we being individually and the staff.

12 The Commission would be formally closed I  
13 expect 30 days -- within 30 days after the  
14 presentation of the report to the Secretary. And I'm  
15 sure she's counting on you to do the things you've  
16 offered to help. Again, I'm not speaking for her, but  
17 I know her sense of what we've been doing, and I know  
18 her enough to say that I'm sure she is counting on all  
19 of you and will appreciate that contribution.

20 I think there's a large contingent of the  
21 press here today. I know a lot of you have travel  
22 plans. You're welcome to stay and talk to -- and use  
23 the facilities. If anything -- you need any help from  
24 the staff, please accept that, and have a safe and  
25 comfortable journey home. And we'll all be talking  
26 and communicating soon.

1                   Thank you very, very much from the bottom  
2 of my heart.

3                   (Appause.)

4                   (Whereupon, at 11:29 a.m., the proceedings in the  
5                   foregoing matter were adjourned.)

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**Report Draft**  
**8/9/06**

**I. Preamble and Summary**

**Preamble**

Three hundred and seventy years after the first college in our fledgling nation was established to train Puritan ministers in the colony of Massachusetts Bay, it is no exaggeration to declare that higher education in the United States has become one of our greatest success stories. Whether America's colleges and universities are measured by their sheer number and variety, by the increasingly open access so many citizens enjoy to their campuses, by their crucial role in advancing the frontiers of knowledge through research discoveries, or by the new forms of teaching and learning that they have pioneered to meet students' changing needs, these postsecondary institutions have accomplished much of which they and the nation can be proud.

Despite these achievements, however, this Commission believes U.S. higher education needs to improve in dramatic ways. As we enter the 21<sup>st</sup> century, it is no slight to the successes of American colleges and universities thus far in our history to note the unfulfilled promise that remains. Our year-long examination of the challenges facing higher education has brought us to the uneasy conclusion that the sector's past attainments have led our nation to unwarranted complacency about its future.

It is time to be frank. Among the vast and varied institutions that make up U.S. higher education, we have found much to applaud, but also much that requires urgent reform. As Americans, we can take pride in our Nobel Prizes, our scientific breakthroughs, our Rhodes Scholars. But we must not be blind to the less inspiring realities of postsecondary education in our country.

To be sure, at first glance most Americans don't see colleges and universities as a trouble spot in our educational system. After all, American higher education has been the envy of the world for years. In 1862, the Morrill Act created an influential network of land-grant universities across the country. After World War II, the G.I. Bill made access to higher education a national priority. In the 1960s and 1970s, the launching and rapid growth of community colleges further expanded postsecondary educational opportunities. For a long time, we educated more people to higher levels than any other nation.

We remained so far ahead of our competitors for so long, however, that we began to take our postsecondary superiority for granted. The results of this inattention, though little known to many of our fellow citizens, are sobering. We may still have more than our share of the world's best universities. But a lot of other countries have followed our lead, and **they are now educating more of their citizens to more advanced levels than we are.** Worse, they are passing us by at a time when education is more important to our collective prosperity than ever.

## DRAFT. FOR DISCUSSION PURPOSES ONLY.

We acknowledge that not everyone needs to go to college. But everyone needs a postsecondary education. Indeed, we have seen ample evidence that some form of postsecondary instruction is increasingly vital to an individual's economic security. Yet too many Americans just aren't getting the education that they need – and that they deserve.

- We are losing some students in our high schools, which do not yet see preparing all pupils for postsecondary education and training as their responsibility.
- Others don't enter college because of inadequate information and rising costs, combined with a confusing financial aid system that spends too little on those who need help the most.
- Among high school graduates who do make it on to postsecondary education, a troubling number waste time – and taxpayer dollars – mastering English and math skills that they should have learned in high school. And some never complete their degrees at all, at least in part because most colleges and universities don't accept responsibility for making sure that those they admit actually succeed.
- As if this weren't bad enough, there are also disturbing signs that many students who do earn degrees have not actually mastered the reading, writing, and thinking skills we expect of college graduates. Over the past decade, literacy among college graduates has actually declined. Unacceptable numbers of college graduates enter the workforce without the skills employers say they need in an economy where, as the truism holds correctly, knowledge matters more than ever.
- The consequences of these problems are most severe for students from low-income families and for racial and ethnic minorities. But they affect us all.
- Compounding all of these difficulties is a lack of clear, reliable information about the cost and quality of postsecondary institutions, along with a remarkable absence of accountability mechanisms to ensure that colleges succeed in educating students. The result is that students, parents, and policymakers are often left scratching their heads over the answers to basic questions, from the true cost of private colleges (where most students don't pay the official sticker price) to which institutions do a better job than others not only of graduating students but of teaching them what they need to learn.

In the face of such challenges, this Commission believes change is overdue. But when it comes – as it must – it will need to take account of the new realities that are sometimes overlooked in public discussions about the future of higher education. While many Americans still envision the typical undergraduate as an 18- to 22-year-old with a recently acquired high school diploma attending classes at a four-year institution, the facts are more complex. Of the nation's nearly 14 million undergraduates, more than four

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in 10 attend two-year community colleges. Nearly one-third are older than 24 years old. Forty percent are enrolled part-time.

As higher education evolves in unexpected ways, this new landscape demands innovation and flexibility from the institutions that serve the nation's learners. Beyond high school, more students than ever before have adopted a "cafeteria" approach to their education, taking classes at multiple institutions before obtaining a diploma. And the growing numbers of adult learners aren't necessarily seeking degrees at all. Many simply want to improve their career prospects by acquiring the new skills that employers are demanding.

In this consumer-driven environment, students increasingly care little about the distinctions that sometimes preoccupy the academic establishment, from whether a college has for-profit or nonprofit status to whether its classes are offered online or in brick-and-mortar buildings. Instead, they care – as we do – about results.

Against this backdrop, we have adopted an ambitious set of goals that spell out what our Commission expects from American higher education, which we define as broadly and richly as possible to include all public and private education that is available after high school, from trade schools, online professional-training institutions and technical colleges to community colleges, traditional four-year colleges and universities, and graduate and professional programs.

- We want a world-class higher-education system that creates new knowledge, contributes to economic prosperity and global competitiveness, and empowers citizens;
- We want a system that is accessible to all Americans, throughout their lives;
- We want postsecondary institutions to provide high-quality instruction while improving their efficiency in order to be more affordable to the students, taxpayers, and donors who sustain them;
- We want a higher-education system that gives Americans the workplace skills they need to adapt to a rapidly changing economy;
- We want postsecondary institutions to adapt to a world altered by technology, changing demographics and globalization, in which the higher-education landscape includes new providers and new paradigms, from for-profit universities to distance learning.

To reach these objectives, we believe that U.S. higher education must recommit itself to its core public purposes. For close to a century now, access to higher education has been a principal – some would say *the* principal – means of achieving social mobility. Much of our nation's inventiveness has been centered in colleges and universities, as has our commitment to a kind of democracy that only an educated and informed citizenry makes possible. It is not surprising that American institutions of higher education have become a magnet for attracting people of talent and ambition from throughout the world.

But today that world is becoming tougher, more competitive, less forgiving of wasted resources and squandered opportunities. In tomorrow's world a nation's wealth will

derive from its capacity to educate, attract, and retain citizens who are to able to work smarter and learn faster – making educational achievement ever more important both for individuals and for society writ large.

What we have learned over the last year makes clear that American higher education has become what, in the business world, would be called a mature enterprise: increasingly risk-averse, at times self-satisfied, and unduly expensive. It is an enterprise that has yet to address the fundamental issues of how academic programs and institutions must be transformed to serve the changing educational needs of a knowledge economy. It has yet to successfully confront the impact of globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs and new paradigms.

History is littered with examples of industries that, at their peril, failed to respond to – or even to notice – changes in the world around them, from railroads to steel manufacturers. Without serious self-examination and reform, institutions of higher education risk falling into the same trap, seeing their market share substantially reduced and their services increasingly characterized by obsolescence.

Already, troubling signs are abundant. Where once the United States led the world in educational attainment, recent data from the Organization for Economic Cooperation and Development indicate that our nation is now ranked ninth among major industrialized countries in higher education attainment. Another half dozen countries are close on our heels. And these global pressures come at a time when data from the U.S. Department of Labor indicate that postsecondary education will be ever more important for workers hoping to fill the fastest-growing jobs in our new economy.

To implement the goals outlined above, we have distilled our deliberations into a series of findings that range across four key areas that the U.S. Secretary of Education charged us with examining when she created this Commission: access, affordability, quality, and accountability. Those findings are followed by a series of six far-reaching recommendations aimed at all the parties whose efforts will be needed to ensure that reform takes root: colleges and universities; accrediting bodies and governing boards; state and federal policymakers; elementary and secondary schools; the business community; and parents and students themselves.

We note that the commissioners did not agree unanimously on every single finding and recommendation. This was a diverse group, with varied perspectives and backgrounds, and from the beginning our Commission's explicit mandate was to engage in debate and discussion, as indicated by the first part of our panel's formal name: "A National Dialogue." In a higher-education system as diverse and complex as ours, it is no surprise that knowledgeable individuals can and do differ over certain matters. Nevertheless, there has been remarkable consensus among our members not only on the acute challenges facing the nation's colleges and universities but also on how we can begin to address higher education's weaknesses and build a promising foundation for a thriving 21<sup>st</sup> century postsecondary education system.

In outlining our conclusions and recommendations below, and detailing them in the remainder of this report, we recognize that some who care deeply about higher education – and whose partnership we value in the new endeavors we propose – may not easily accept either our diagnosis or our prescriptions. But we would note that past reforms that later came to be recognized as transformational for American society were not universally embraced at first. The G.I. Bill, for instance, greatly worried such 20<sup>th</sup> century intellectual luminaries as Robert Maynard Hutchins, president of the University of Chicago, and James B. Conant, president of Harvard University, each of whom fretted that newly returned veterans might overwhelm campuses and be ill-suited to reap the benefits of higher education. In retrospect, such concerns seem positively archaic.

We can make no promise that our proposed reforms would have an impact as enormous as that historic, door-opening measure. Nor do we make light of the inevitable questions and concerns that may be raised by all those who we are asking to participate in the reform measures called for in our recommendations, including postsecondary institutions, federal and state policymakers, and employers.

**But were the American system of higher education – and those who want to help it rise to the challenges of a new century – to make the changes our Commission recommends, we believe other important changes would follow. The result would be institutions and programs that are more nimble, more efficient, and more effective. What the nation would gain is a heightened capacity to compete in the global market place. What individuals would gain is full access to educational opportunities that allow them to be life-long learners, productive workers, and engaged citizens.**

## Summary

### *The Value of Higher Education*

In an era when intellectual capital is increasingly prized, both for individuals and for the nation, postsecondary education has never been more important. Ninety percent of the fastest-growing jobs in the new knowledge-driven economy will require some postsecondary education. Already, the median earnings of a U.S. worker with only a high-school diploma are 37 percent less than those of a worker with a bachelor's degree. Colleges and universities must continue to be the major route for new generations of Americans to achieve social mobility. And for the country as a whole, future economic growth will depend on our ability to sustain excellence, innovation, and leadership in higher education. But even the economic benefits of a college degree could diminish if students don't acquire the appropriate skills.

### *Access*

We found that access to American higher education is unduly limited by the complex interplay of inadequate preparation, lack of information about college opportunities, and

persistent financial barriers. Substandard high school preparation is compounded by poor alignment between high schools and colleges, which often creates an “expectations gap” between what colleges require and what high schools produce. Although the proportion of high school graduates who go on to college has risen substantially in recent decades, the college completion rate has failed to improve at anywhere near the same pace. Shortcomings in high schools mean that an unacceptable number of college students must take costly remedial classes. Moreover, there is a troubling and persistent gap between the college attendance and graduation rates of low-income Americans and their more affluent peers. Similar gaps characterize the college attendance rates – and especially the college completion rates – of the nation’s growing population of racial and ethnic minorities. While about one-third of whites have obtained bachelor’s degrees by age 26-30, for example, just 18 percent of blacks and 10 percent of Latinos in the same age cohort have earned degrees by that time.

**We propose to dramatically expand college participation and success by outlining ways in which postsecondary institutions, K-12 school systems, and state policymakers can work together to create a seamless pathway between high school and college. States’ K-12 graduation standards must be closely aligned with college and employer expectations, and states should also provide incentives for postsecondary institutions to work actively and collaboratively with K-12 schools to help underserved students improve college preparation and persistence. While better high-school preparation is imperative, admitted students and colleges themselves must jointly take responsibility for academic success. Improving the information about college available to students – and reducing financial barriers to attendance, which we address below in our discussion of affordability – are also crucial to improving access.**

### *Cost and Affordability*

The Commission notes with concern the seemingly inexorable increase in college costs, which have outpaced inflation for the past two decades and have made affordability an ever-growing worry for students, families, and policymakers. Too many students are either discouraged from attending college by rising costs, or take on worrisome debt burdens in order to do so. While students bear the immediate brunt of tuition increases, affordability is also a crucial policy dilemma for those who are asked to fund higher education, notably federal and state taxpayers. Even as institutional costs go up, state subsidies are decreasing and public concern about affordability may eventually contribute to an erosion of confidence in higher education. In our view, affordability is directly affected by a financing system that provides limited incentives for colleges and universities to take aggressive steps to improve institutional efficiency and productivity.

**To improve affordability, we propose a focused program of cost-cutting and productivity improvements in U.S. postsecondary institutions. Higher education institutions should improve institutional cost management through the development of new performance benchmarks, while also lowering per-student educational costs by reducing barriers for transfer students. State and federal policymakers must do**

**their part as well, by supporting the spread of technology that can lower costs, encouraging more high school-based provision of college courses, and working to relieve the regulatory burden on colleges and universities.**

### *Financial Aid*

We found that our financial aid system is confusing, complex, inefficient, duplicative, and frequently does not direct aid to students who truly need it. There are at least 20 separate federal programs providing direct financial aid or tax benefits to individuals pursuing postsecondary education. For the typical household, the Free Application for Federal Student Aid, or FAFSA, is longer and more complicated than the federal tax return. Moreover, the current system does not provide definitive information about freshman year aid until the spring of the senior year of high school, which makes it hard for families to plan and discourages college attendance. Unmet financial need is a growing problem for students from low-income families, who need aid the most.

**We propose replacing the current maze of financial aid programs, rules and regulations with a system more in line with student needs and national priorities. That effort would require a significant increase in need-based financial aid and a complete restructuring of the current federal financial aid system. Our recommendations call for consolidating programs, streamlining processes, and replacing the FAFSA with a much shorter and simpler application.**

### *Learning*

As other nations rapidly improve their higher-education systems, we are disturbed by evidence that the quality of student learning at U.S. colleges and universities is inadequate and, in some cases, declining. A number of recent studies highlight the shortcomings of postsecondary institutions in everything from graduation rates and time to degree to learning outcomes and even core literacy skills. According to the most recent National Assessment of Adult Literacy, for instance, the percentage of college graduates of all ages deemed proficient in prose literacy has actually declined from 40 to 31 percent in the past decade. These shortcomings have real-world consequences. Employers report repeatedly that many new graduates they hire are not prepared to work, lacking the critical thinking, writing and problem-solving skills needed in today's workplaces. In addition, business and government leaders have repeatedly and urgently called for workers at all stages of life to continually upgrade their academic and practical skills. But both national and state policies and the practices of postsecondary institutions have not always made this easy, by failing to provide financial and logistical support for lifelong learning and by failing to craft flexible credit-transfer systems that allow students to move easily between different kinds of institutions.

**In our view, correcting shortcomings in educational quality and promoting innovation will require a series of related steps, beginning with some of the accountability mechanisms that are summarized below and discussed at greater length later in this report. In addition, we urge postsecondary institutions to make a**

**commitment to embrace new pedagogies, curricula, and technologies to improve student learning.**

### ***Transparency and Accountability***

We have found a remarkable shortage of clear, accessible information about crucial aspects of American colleges and universities, from financial aid to graduation rates. Because data systems are so limited and inadequate, it is hard for policymakers to obtain reliable information on students' progress through the educational pipeline. This lack of useful data and accountability hinders policymakers and the public from making informed decisions and prevents higher education from demonstrating its contribution to the public good.

**We believe that improved accountability is vital to ensuring the success of all the other reforms we propose. Colleges and universities must become more transparent about cost, price, and student success outcomes, and must willingly share this information to improve communications with students and families. Student achievement, which is inextricably connected to institutional success, must be measured by institutions on a “value-added” basis that takes into account students' academic baseline when assessing their results. This information should be made available to students, and reported publicly in aggregate form to provide consumers and policymakers an accessible, understandable way to measure the relative effectiveness of different colleges and universities.**

### ***Innovation***

Finally, we found that numerous barriers to investment in innovation risk hampering the ability of postsecondary institutions to address national workforce needs and compete in the global marketplace. Too many of our colleges and universities have not embraced opportunities to be entrepreneurial, from testing new methods of teaching and content delivery to meeting the increased demand for lifelong learning. For their part, state and federal policymakers have also failed to make supporting innovation a priority. Accreditation, along with federal and state regulation, can impede creative new approaches as well.

**We recommend that America's colleges and universities embrace a culture of continuous innovation and quality improvement. We urge these institutions to develop new pedagogies, curricula and technologies to improve learning, particularly in the area of science and mathematical literacy. At the same time, we recommend the development of a national strategy for lifelong learning designed to keep our citizens and our nation at the forefront of the knowledge revolution.**

## **II. Findings**

The U.S. Secretary of Education asked this Commission to examine four central issues in American higher education: access, affordability, quality, and accountability. Despite the many successes of our system, we have found that significant shortcomings remain. Our recommendations for improving U.S. higher education, and thus fulfilling the untapped promise of our colleges and universities, stem from the following findings:

### ***Findings Regarding the Value of Higher Education***

**In today's knowledge-driven society, higher education has never been more important.**

America's national capacity for excellence, innovation and leadership in higher education will be central to our ability to sustain economic growth and social cohesiveness. Our colleges and universities will be a key source of the human and intellectual capital needed to increase workforce productivity and growth. They must also continue to be the major route for new generations of Americans to achieve social mobility.

- The transformation of the world economy increasingly demands a more highly educated workforce with postsecondary skills and credentials. Ninety percent of the fastest-growing jobs in the new information and service economy will require some postsecondary education. Job categories that require only on-the-job training are expected to see the greatest decline.<sup>1</sup> In high-demand fields, the value of postsecondary credentials and skills is likely to rise especially quickly. The Department of Labor projects, for instance, that by 2014 there will be almost five million new job openings combined in healthcare, education, and computer and mathematical science.<sup>2</sup>
- The benefits of higher education are significant both for individuals and for the nation as a whole. In 2003, for example, the median annual salary of an American worker with only a high school diploma was \$30,800, compared with the \$37,600 median for those with an associate's degree and the \$49,900 median for those with a bachelor's degree.<sup>3</sup> Over a lifetime, an individual with a bachelor's degree will earn an average of \$2.1 million – nearly twice as much as a worker with only a high school diploma.<sup>4</sup> Higher education also produces broader social gains. Colleges and universities are major economic engines, while also serving as civic and cultural centers.

### ***Findings Regarding Access***

**Too few Americans prepare for, participate in, and complete higher education – especially those underserved and nontraditional groups who make up an ever-greater proportion of the population. The nation will rely on these groups as a major source of new workers as demographic shifts in the U.S. population continue.**

This Commission believes the nation must be committed to building and sustaining a higher education system that is accessible to all qualified students in all life stages. While the proportion of high school graduates who immediately enter college has risen in recent decades, unfortunately, it has largely stalled at around 60 percent since the late 1990s.<sup>5</sup> The national rate of college completion has also remained largely stagnant. Most important, and most worrisome, too many Americans who could benefit from postsecondary education do not continue their studies at all, whether as conventional undergraduates or as adult learners furthering their workplace skills.<sup>6</sup>

We found that access to higher education in the United States is unduly limited by the complex interplay of inadequate preparation, lack of information about college opportunities, and persistent financial barriers. Inadequate high school preparation is compounded by poor alignment between high schools and colleges, which often creates an “expectations gap” between what colleges require and what high schools produce. The result is a high level of remediation by colleges (and by employers), a practice that is both costly and inefficient. We are especially troubled by gaps in college access for low-income Americans and ethnic and racial minorities. Notwithstanding our nation’s egalitarian principles, there is ample evidence that qualified young people from families of modest means are far less likely to go to college than their affluent peers with similar qualifications.

- Several national studies confirm the insufficient preparation of high school graduates for *either* college-level work or the changing needs of the workforce. Dismal high school achievement rates nationwide have barely budged in the last decade. Close to twenty-five percent of all students in public high schools do not graduate<sup>7</sup> – a proportion that rises among low income, rural, and minority students.
- The educational achievement levels of our young people who do complete high school are simply not good enough to succeed in college. According to the National Assessment of Educational Progress (NAEP), only 17 percent of seniors are considered proficient in mathematics, and just 36 percent are proficient in reading.
- Ample evidence demonstrates that a key component of our national achievement problem is insufficient alignment between K-12 and higher education. Studies show the overwhelming majority of both college and high school faculty and administrators are unaware of the standards and assessments being used by their counterparts in the other sector. For example, only eight states require high school graduates to take at least Algebra II – a threshold course for college-level success in math-based disciplines including engineering and science.<sup>8</sup> Fewer than 22 percent of the 1.2 million students who took the ACT college-entrance examinations in 2004 were ready for college-level work in the core subjects of mathematics, English and science.<sup>9</sup> Forty-four percent of faculty members say students aren’t well prepared for college-level writing, in contrast to the 90 percent of high school teachers who think they are prepared.<sup>10</sup>

- Not surprisingly, the consequences of substandard preparation and poor alignment between high schools and colleges persist in college. Remediation has become far too common an experience for American postsecondary students. Some 40 percent of all college students end up taking at least one remedial course<sup>11</sup> – at an estimated cost to the taxpayers of \$1 billion.<sup>12,13</sup> Additionally, industry spends significant financial resources on remediation and retraining.
- Access and achievement gaps disproportionately affect low-income and minority students. Historically these are the very students who have faced the greatest academic and financial challenges in getting access to or completing college. Many will be the first in their families to attend college. Most will work close to full time while they are in college, and need to attend school close to home. Despite years of funding student aid programs, family income and the quality of high school education remain major factors in college-level success. By age 26-30, about 35 of every 100 whites obtain bachelor's degrees, compared to 18 of every 100 blacks and just 10 of every 100 Latinos. Just as dismaying, low-income high school graduates in the top quartile on standardized tests attend college at the same rate as high-income high school graduates in the bottom quartile on the same tests.<sup>14</sup> Only 21 percent of college-qualified low-income students complete bachelor's degrees, compared with 62 percent of high-income students.<sup>15</sup> (Note: The available data do not include transfer students, and as a result it likely undercounts low-income and minority students.)
- Access problems also affect adult students. More and more adults are looking for ways to upgrade and expand their skills in an effort to improve or protect their economic position. Nearly 40 percent of today's postsecondary students are self-supported; more than half attend school part-time; almost one-third work full-time; 27 percent have children themselves. Many are choosing credential or degree-granting programs in colleges and universities.<sup>16</sup> But we are not expanding capacity across higher education to meet this demand. America's community colleges, whose enrollments have been growing significantly, have provided a place to begin for many of these students. In some states, however, community colleges are reaching their capacity limits, a cause for deep concern.

### *Findings Regarding Cost and Affordability*

**Our higher-education financing system is increasingly dysfunctional. State subsidies are declining; tuition is rising; and cost per student is increasing faster than inflation or family income. Affordability is directly affected by a financing system that provides limited incentives for colleges and universities to take aggressive steps to improve institutional efficiency and productivity. Public concern about rising costs may ultimately contribute to the erosion of public confidence in higher education.**

There is no issue that worries the American public more about higher education than the soaring cost of attending college. That may explain why most public discussions of college affordability are framed solely in terms of the financial strain faced by students

and families. Yet because students and families only pay a portion of the actual cost of higher education, affordability is also an important public policy concern for those who are asked to fund colleges and universities, notably federal and state taxpayers, but also private donors. Tuition increases for students have gone hand in hand with a rapid rise in the cost of operating institutions. While the pattern of cost increases varies (it has been much less pronounced, for example, at community colleges), it is in general unacceptably large and contributes to problems of access discussed elsewhere in this report.

- From 1995 to 2005, average tuition and fees at private four-year colleges and universities rose 36 percent after adjusting for inflation. Over the same period, average tuition and fees rose 51 percent at public four-year institutions and 30 percent at community colleges.<sup>17</sup>
- One of the reasons tuition and fees have increased is that state funding fell to the lowest level in over two decades.<sup>18</sup> State funding for higher education has always followed a zigzag course – going up in times of growth and down during recessions. The prospects for a return to a time of generous state subsidies are not good. States are expected to experience long-term structural deficits in funds for postsecondary education, caused by the squeeze of revenues and pressures on spending from rising health care costs.<sup>19</sup> The bottom line is that state funding for higher education will not grow enough to support enrollment demand without higher education addressing issues of efficiency, productivity, transparency, and accountability clearly and successfully. However, based on our Commission’s review of the education needs of our nation, we encourage states to continue their historic and necessary commitment to the support of public higher education.
- But funding cuts are not the only reason costs are rising. Institutions are spending more money, particularly the wealthiest universities with the greatest access to capital. Next to institutional financial aid, the greatest growth has been in administrative costs for improvements in student services (including state-of-the-art fitness centers and dormitories).
- College and university finances are complex, and are made more so by accounting habits that confuse costs with revenues and obscure production costs. The lack of transparency in financing is not just a problem of public communication or metrics. It reflects a deeper problem: inadequate attention to cost measurement and cost management within institutions.
- A significant obstacle to better cost controls is the fact that a large share of the cost of higher education is subsidized by public funds (local, state and federal) and by private contributions. These third-party payments tend to insulate what economists would call producers – colleges and universities – from the consequences of their own spending decisions, while consumers – students – also lack incentives to make decisions based on their own limited resources. Just as the U.S. healthcare finance system fuels rising costs by shielding consumers from the consequences of their own spending choices, the high level of subsidies to higher education also provides perverse spending incentives at times.
- In addition, colleges and universities have few incentives to contain costs because prestige is often measured by resources, and managers who hold down spending risk losing their academic reputations. With pressures on state funding for higher

education continuing, institutional attention to cost – and price – control will inevitably become an urgent priority both for internal institutional accountability and public credibility.

- Another little-recognized source of cost increases is excessive state and federal regulation. Specifically, institutions of higher education must comply with more than 200 federal laws – everything from export administration regulations to the Financial Services Modernization Act. At their best, these regulations are a mechanism to support important human values on campuses. At worst, regulations can absorb huge amounts of time and waste scarce campus financial resources with little tangible benefit to anyone.<sup>20</sup>

### *Findings Regarding Financial Aid*

**The entire financial aid system – including federal, state, institutional, and private programs – is confusing, complex, inefficient, duplicative, and frequently does not direct aid to students who truly need it. Need-based financial aid is not keeping pace with rising tuition.**

- There are at least 20 separate federal programs providing direct financial aid or tax benefits to individuals seeking postsecondary education.<sup>21</sup> The system is overly complicated and its multitude of programs sometimes redundant and incomprehensible to all but a few experts. This complexity has the unfortunate effect of discouraging some low-income students from even applying to college.
- For the typical household, the Free Application for Federal Student Aid, or FAFSA, is longer and more complicated than the federal tax return. Moreover, the simplest IRS tax form, the 1040EZ, already collects most of the key pieces of data that could determine federal aid eligibility.
- The current system does not provide definitive information about freshman year aid until the spring of the senior year in high school, which makes it difficult for families to plan and discourages college attendance.
- Unmet financial need among the lowest-income families (those with family incomes below \$34,000 annually) grew by 80 percent from 1990 to 2004 at four-year institutions, compared with 7 percent for the highest-income families.<sup>22</sup> The Advisory Committee on Student Financial Assistance estimates that in the first decade of the new century, financial barriers will keep nearly 2 million low- and middle-income college qualified high school graduates from attending college.<sup>23</sup> Over half of today's undergraduates take out loans to finance part of their college work. Nearly three-quarters of undergraduate students in private, non-profit institutions graduate with some debt, compared with 62 percent in public institutions. According to the most recent College Board figures, median debt levels among students who graduated from four-year institutions were \$15,500 for publics and \$19,400 for private, non-profits.<sup>24</sup>
- Large majorities of adults – 59 percent overall and 63 percent among parents of college students – say students today graduate with too much debt. While 80 percent of adults say a college education is more important today than it was a

decade ago, two-thirds say that affording college is harder now – and 70 percent say they expect it to be even more difficult in the future.<sup>25</sup>

### *Findings Regarding Learning*

**At a time when we need to be increasing the quality of learning outcomes and the economic value of a college education, there are disturbing signs that suggest we are moving in the opposite direction. As a result, the continued ability of American postsecondary institutions to produce informed and skilled citizens who are able to lead and compete in the 21<sup>st</sup> century global marketplace may soon be in question.**

- While U.S. higher education has long been admired internationally, our continued preeminence is no longer something we can take for granted. The rest of the world is catching up, and by some measures has already overtaken us. We have slipped to 9<sup>th</sup> in higher education attainment and 16<sup>th</sup> in high school graduation rates.<sup>26</sup> The quality of student learning – as measured by assessments of college graduates – is declining at a time when we need it to be going up.
- While educators and policymakers have commendably focused on getting more students into college, too little attention has been paid to progressing them through graduation. The result is that unacceptable numbers of students fail to complete their studies at all, while even those that graduate don't always learn enough.
- Several national studies highlight shortcomings in the quality of U.S. higher education as measured by literacy, rising time to degree, and disturbing racial and ethnic gaps in student achievement:
  - The National Assessment of Adult Literacy indicates that between 1992 and 2003, average prose literacy (the ability to understand narrative texts such as newspaper articles) decreased for all levels of educational attainment, and document literacy (the ability to understand practical information such as instructions for taking medicine) decreased among those with at least some college education or a bachelor's degree or higher.<sup>27</sup>
  - Only 66 percent of four-year college students complete a baccalaureate degree within six years. (This reflects the percentage of students who begin full-time in four-year institutions and graduate within six years.)
  - Significant achievement and attainment gaps between white and Asian students and black and Hispanic students remain during the college years.
  - Employers complain that many college graduates are not prepared for the workplace and lack the new set of skills necessary for successful employment and continuous career development.<sup>28</sup>

*Findings Regarding Transparency and Accountability*

**There is inadequate transparency and accountability for measuring institutional performance, which is more and more necessary to maintaining public trust in higher education.**

Our complex, decentralized postsecondary education system has no comprehensive strategy, particularly for undergraduate programs, to provide either adequate internal accountability systems or effective public information. Too many decisions about higher education – from those made by policymakers to those made by students and families – rely too heavily on reputation and rankings derived to a large extent from inputs such as financial resources rather than outcomes. Better data about real performance and lifelong working and learning ability is absolutely essential if we are to meet national needs and improve institutional performance.

- Traditionally, institutional quality is measured primarily through financial inputs and resources. In today's environment, these measures of inputs are no longer adequate, either within individual institutions or across all of higher education.
- Despite increased attention to student learning results by colleges and universities and accreditation agencies, parents and students have no solid evidence, comparable across institutions, of how much students learn in colleges or whether they learn more at one college than another. Similarly, policymakers need more comprehensive data to help them decide whether the national investment in higher education is paying off and how taxpayer dollars could be used more effectively.
- Colleges and universities can also use more comparable data about the benchmarks of institutional success – student access, retention, learning and success, educational costs (including the growth in administrative expenses such as executive compensation), and productivity – to stimulate innovation and continuous improvement.
- Extensive government data on higher education do exist, but they leave out large numbers of nontraditional students who are increasingly attending our colleges and universities<sup>29</sup> and rarely focus on outcomes.<sup>30</sup> Data collected by the National Center for Education Statistics through the Graduation Rate Survey under the Integrated Postsecondary Education Systems (IPEDS) are limited to full-time, first-time degree- or certificate-seeking students. Unfortunately, for a significant portion of students – those who enroll on a part-time basis and those who transfer to other institutions – no data exist on time to degree for individual students or completion for students who, in an increasingly common pattern, begin their studies, drop out, and then restart.
- Accreditation, the large and complex public-private system of federal, state and private regulators, has significant shortcomings. Accreditation plays a gatekeeper role in determining the eligibility of institutions and programs to receive federal and state grants and loans. However, despite increased attention by accreditors to learning assessments, they continue to play largely an internal role. Accreditation reviews are typically kept private, and those that are made public still focus on process reviews more than bottom-line results for learning or costs. The growing

public demand for increased accountability, quality and transparency coupled with the changing structure and globalization of higher education requires a transformation of accreditation.<sup>31</sup>

### *Findings Regarding Innovation*

**American higher education has taken little advantage of important innovations that would increase institutional capacity, effectiveness and productivity. Government and institutional policies created during a different era are impeding the expansion of models designed to meet the nation's workforce needs. In addition, policymakers and educators need to do more to build America's capacity to compete and innovate by investing in critical skill sets and basic research.**

- Institutions as well as government have failed to sustain and nurture innovation in our colleges and universities. Reports from those working at the grassroots level in fields such as teacher preparation and math and science education indicate that the results of scholarly research on teaching and learning are rarely translated into practice. Little of the significant research of the past decade in areas such as cognitive science, neurosciences, and organizational theory is making it into American classroom practice, whether at the K-12 level or in colleges and universities.
- With the exception of several promising practices, many of our postsecondary institutions have not embraced opportunities for innovation, from new methods of teaching and content delivery to technological advances to meeting the increasing demand for lifelong learning. For their part, both state and federal policymakers have also failed to make supporting innovation a priority by adequately providing incentives for individuals, employers, and institutions to pursue more opportunities for innovative, effective and efficient practice.
- Traditional academic calendars and schedules often result in inefficient use of institution's physical plant and learning programs that are less than optimal.
- Barriers to the recognition of transfer credits between different types of institutions pose challenges to students and prevent institutions from increasing capacity. Students too often receive conflicting information about credit-transfer policies between institutions, leading to an unknown amount of lost time and money (and additional federal financial aid) in needlessly repeated coursework. Underlying the information confusion are institutional policies and practice on student transfers that are too often inconsistently applied, even with the same institution.
- Accreditation and federal and state regulations, while designed to assure quality in higher education, can sometimes impede innovation and limit the outside capital investment that is vital for expansion and capacity building.
- Fewer American students are pursuing degrees in the STEM fields (science, technology, engineering, mathematics), medicine and other disciplines critical to global competitiveness, national security and economic prosperity. Even as the Bureau of Labor Statistics projects that 16 of the 30 fastest-growing jobs in the

next decade will be in the health professions, current and projected shortages of physicians, registered nurses and other medical specialists may affect the quality of care for the increasingly aging population of Baby Boomers.<sup>32</sup>

- It is fundamental to U.S. economic interests to provide world-class education while simultaneously providing an efficient immigration system that welcomes highly educated individuals to our nation. Foreign-born students represent about half of all graduate students in computer sciences, and over half of the doctorate degrees awarded in engineering. Almost 30 percent of the actively employed science and engineering doctorate holders in the U.S. are foreign born. However, current limits on employer-sponsored visas preclude many U.S. businesses from hiring many of these graduates, which may discourage some talented students from attending our universities.
- At a time when innovation occurs increasingly at the intersection of multiple disciplines (including business and social sciences), curricula and research funding remain largely contained in individual departments.

### **III. Recommendations**

Our colleges and universities are treasured national assets, but the shortcomings we have outlined persuade us that it is time for Americans to concentrate on what higher education can become. The challenge before us is nothing less than securing the promise of the future and unleashing the potential of the American people.

To that end, we offer recommendations that aim to improve access to higher education and make it more affordable. We seek to strengthen quality and encourage innovation. And we want to bring much-needed transparency and accountability to our colleges and universities. Secretary Spellings charged us to be bold. The Commission believes that America must embrace a new agenda and engage in a new dialogue that places the needs of students and the nation at its center.

**1. Every student in the nation should have the opportunity to pursue postsecondary education. We recommend, therefore, that the U.S. commit to an unprecedented effort to expand higher education access and success by improving student preparation and persistence, addressing non-academic barriers and providing significant increases in aid to low-income students.**

- A high school degree should signify that a student is college and/or work ready. States must adopt high school curricula that prepare all students for participation in postsecondary education and should facilitate seamless integration between high school and college. The Commission believes higher education must assume responsibility for working with the K-12 system to ensure that teachers are adequately trained, curricula are aligned and entrance standards are clear. The effort underway in a number of states to align K-12 graduation standards with

college and employer expectations should be implemented in all 50 states. States should provide incentives for higher education institutions to make long-term commitments to working actively and collaboratively with K-12 schools and systems to help underserved students improve college preparation and persistence.

- The Commission strongly encourages early assessment initiatives that determine whether students are on track for college. One prominent chancellor testified to the Commission that the 12<sup>th</sup> grade is often a “vast wasteland” rather than a time to ensure that students are prepared for college or are enrolled in college-level courses. We endorse the expansion of early college/dual enrollment programs, as well as Advanced Placement/International Baccalaureate courses.
- The Commission recommends support for initiatives that help states hold high schools accountable for teaching all students and that provide federal support for effective and timely intervention for those students who are not learning at grade level. Such initiatives would include requirements for state assessments in high school to ensure that diplomas mean students are prepared to enter college and/or the workforce with the skills to succeed. In addition, the current 12<sup>th</sup> grade NAEP test should be redesigned to allow the NAEP proficiency standard to be used to measure college and workforce readiness and provide disaggregated data in state-by-state reports. (Historically, the 12th grade NAEP has been limited to a national survey with a sample size that precludes state-by-state reporting of assessment results. This is of little value for either improvement or accountability.)
- Students must have clearer pathways among educational levels and institutions and we urge colleges to remove barriers to student mobility and promote new learning paradigms (e.g., distance education, adult education, workplace programs) to accommodate a far more diverse student cohort. States and institutions should review and revise standards for transfer of credit among higher education institutions, subject to rigorous standards designed to ensure educational quality, to improve access and reduce time-to-completion.
- Even though surveys show that most students and parents believe college is essential and intend to go, numerous non-academic barriers undermine these aspirations. Many student and parents don’t understand the steps needed to prepare for college and the system fails to address this information gap. The Commission calls on businesses to partner with schools and colleges to provide resources for early and ongoing college awareness activities, academic support, and college planning and financial aid application assistance. Such efforts should include developing students’ and parents’ knowledge of the economic and social benefits of college through better information, use of role models and extensive career exploration.

**2. To address the escalating cost of a college education and the fiscal realities affecting government’s ability to finance higher education in the long run, we recommend that the entire student financial aid system be restructured and new incentives put in place to improve the measurement and management of costs and institutional productivity.**

***Public providers of student financial aid should commit to meeting the needs of students from low-income families.***

- The federal government, states and institutions should significantly increase need-based student aid. To accomplish this, the present student financial aid system should be replaced with a strategically oriented, results-driven system built on the principles of (i) increased access, or enrollment in college by those students who would not otherwise be likely to attend, including non-traditional students; (ii) increased retention, or graduation by students who might not have been able to complete college due to the cost, (iii) decreased debt burden, and (iv) eliminating structural incentives for tuition inflation.
- Any new federal financial aid system should aim to replace the current federal aid form (the Free Application for Federal Student Aid, or FAFSA) with a much shorter and simpler application form. The application process should be substantially streamlined by analyzing student need through a simple criterion such as family income. Students should have information about financial aid eligibility (such as need or ability to pay) sooner and with early estimates of likely aid available as soon as the eighth grade.
- The financial-aid needs of transfer students, including those who transfer from two-year to four-year institutions, and part-time students should be attended to as part of the restructuring we recommend.
- Federal grant programs should be consolidated to increase the purchasing power of the Pell Grant. Whatever restructuring of federal financial aid takes place, the Pell Grant will remain the core need-based program. A specific benchmark should be established to increase the purchasing power of the average Pell Grant to a level of 70 percent (from 48 percent in 2004-05) of the average in-state tuition at public, four-year institutions over a period of five years. However, even with significant additional federal investment, there is little chance of restoring the Pell's purchasing power if tuition increases absorb most or all of the new money. This effort requires not only federal investment, but strategies by which colleges and universities contain increases in tuition and fees.
- Additionally, administrative and regulatory costs of federal aid programs should be streamlined through a comprehensive review of financial aid regulations.

***Policymakers and higher education leaders should develop, at the institutional level, new and innovative means to control costs, improve productivity, and increase the supply of higher education.***

- Higher education governing and coordinating boards, entrusted with the responsibility to ensure both internal and external accountability, should work with colleges to improve information about costs as well as prices for consumers, policymakers and institutional leaders.
- Higher education institutions should improve institutional cost management through the development of new performance benchmarks designed to measure and improve productivity and efficiency. Also, better measures of costs, beyond those designed for accounting purposes, should be provided to enable consumers

and policymakers to see institutional results in the areas of academic quality, productivity and efficiency. An important benchmark, for example, would be that the growth in college tuition not exceed the growth in median family income over a five-year period. At the same time, the Commission opposes the imposition of price controls.

- Colleges should help lower per-student educational costs by reducing barriers for transfer students. This step would be likely to lower costs to the overall postsecondary system by eliminating a great deal of redundancy within the system.
- The Commission urges states to provide financial incentives to institutions that show they are fostering access, increasing productivity and cutting costs while maintaining or enhancing educational quality. States can drive improvements in educational learning productivity by encouraging both traditional and electronic delivery of college courses in high school.
- Federal and state policymakers should support the dissemination of technological advances in teaching that lower costs on a quality-adjusted basis. Institutions that reduce instructional costs generally on a quality-adjusted basis should be financially rewarded. States should provide similar incentive payments to institutions that significantly reduce academic attrition and increase graduation rates within the traditional period for the degree (e.g., four years for a bachelor's degree).
- Federal and state policymakers and accrediting organizations should work to eliminate regulatory and accreditation barriers to new models in higher education that will increase supply and drive costs down. To address these barriers, federal and state policymakers should:
  - Eliminate federal financial aid regulations that differentiate between traditional semesters and non-standard terms or, at a minimum, rewrite those regulations to provide the same benefits to non-traditional programs as to traditional semester programs.
  - Require accreditation agencies to act in a more timely manner to accredit new institutions and new programs at existing institutions, while focusing on results and quality rather than dictating, for example, process, inputs, and governance, which perpetuates current models and impedes innovation.
- Federal and state policymakers should relieve the regulatory burden on colleges and universities by undertaking a review of the hundreds of regulations with which institutions must comply and recommend how they might be streamlined or eliminated. Additionally, nearly every federal agency is involved in regulating some aspect of higher education and each ought to create a compliance calendar to assist colleges and universities with identifying the myriad regulations and meeting their requirements.
- Finally, the federal government should work closely and cooperatively with institutions and higher education associations to develop compliance materials when new regulations are issued and to develop a system for notifying institutions when they are covered by a new law or regulation.

**3. To meet the challenges of the 21<sup>st</sup> century, higher education must change from a system primarily based on reputation to one based on performance. We urge the creation of a robust culture of accountability and transparency throughout higher education. Every one of our goals, from improving access and affordability to enhancing quality and innovation, will be more easily achieved if higher education embraces and implements serious accountability measures.**

*We recommend the creation of a consumer-friendly information database on higher education with useful, reliable information on institutions, coupled with a search engine to enable students, parents, policymakers and others to weigh and rank comparative institutional performance.*

- The Department of Education should collect data and provide information in a common format so that interested parties can create a searchable, consumer-friendly database that provides access to institutional performance and aggregate student outcomes in a secure and flexible format. The strategy for the collection and use of data should be designed to recognize the complexity of higher education, have the capacity to accommodate diverse consumer preferences through standard and customizable searches, and make it easy to obtain comparative information including cost, price, admissions data, college completion rates and, eventually, learning outcomes.
- Third party organizations should be encouraged and enabled to publish independent, objective information using data from such a database. In addition, comparative studies such as, for example, the National Center for Public Policy and Higher Education's annual *Measuring Up* report, which gauges how successful states are at preparation, participation, affordability, completion and learning, should be published and disseminated by the Department as part of this information system.

*In addition to this new consumer-oriented database, more and better information on the quality and cost of higher education is needed by policymakers, researchers and the general public.*

- The Secretary of Education should require the National Center for Education Statistics to prepare timely annual public reports on college revenues and expenditures, including analysis of the major changes from year to year, at the sector and state level. Unlike the data currently available, institutional comparisons should be consumer-friendly and not require a sophisticated understanding of higher education finance.
- The Commission supports the development of a privacy-protected higher education information system that collects, analyzes and uses student-level data as a vital tool for accountability, policy-making, and consumer choice. A privacy-protected system would not include individually identifiable information such as student names or social security numbers at the Federal level. Such a system would allow policymakers and consumers to evaluate the performance of

institutions by determining the success of each institution's students without knowing the identities of those students. It is essential for policymakers and consumers to have access to a comprehensive higher education information system in order to make informed choices about how well colleges and universities are serving their students, through accurate measures of individual institutions' retention and graduation rates, net tuition price for different categories of students, and other important information. Right now, policymakers, scholarly researchers, and the public lack basic information on institutional performance and labor market outcomes for postsecondary institutions. This is particularly true for measuring outcomes from the work of those institutions that serve the growing proportion of nontraditional students who do not begin and finish their higher education at the same institution within a set period of time.

- The philanthropic community and other third-party organizations are urged to invest in the research and development of instruments measuring the intersection of institutional resources, student characteristics, and educational value-added. Tools should be developed that aggregate data at the state level, and that also can be used for institutional benchmarking.

***Postsecondary education institutions should measure and report meaningful student learning outcomes.***

- Higher education institutions should measure student learning using quality-assessment data from instruments such as, for example, the Collegiate Learning Assessment, which measures the growth of student learning taking place in colleges, and the Measure of Academic Proficiency and Progress, which is designed to assess general education outcomes for undergraduates in order to improve the quality of instruction and learning.
- The federal government should provide incentives for states, higher education associations, university systems, and institutions to develop interoperable outcomes-focused accountability systems designed to be accessible and useful for students, policymakers, and the public, as well as for internal management and institutional improvement.
- Faculty must be at the forefront of defining educational objectives for students and developing meaningful, evidence-based measures of their progress toward those goals.
- The results of student learning assessments, including value-added measurements that indicate how much students' skills have improved over time, should be made available to students and reported in the aggregate publicly. Higher education institutions should make aggregate summary results of all postsecondary learning measures, e.g., test scores, certification and licensure attainment, time to degree, graduation rates, and other relevant measures, publicly available in a consumer-friendly form as a condition of accreditation.
- The collection of data from public institutions allowing meaningful interstate comparison of student learning should be encouraged and implemented in all states. By using assessments of adult literacy, licensure, graduate and professional school exams, and specially administered tests of general intellectual skills, state

policymakers can make valid interstate comparisons of student learning and identify shortcomings as well as best practices. The federal government should provide financial support for this initiative.

- The National Assessment of Adult Literacy (NAAL), should be administered by U.S. Department of Education at five- instead of ten-year intervals. The survey sample should be of sufficient size to yield state-by-state as well as national results. The NAAL should also survey a sample of graduating students at two and four-year colleges and universities and provide state reports.
- Accreditation agencies should make performance outcomes, including completion rates and student learning, the core of their assessment as a priority over inputs or processes. A framework that aligns and expands existing accreditation standards should be established to (i) allow comparisons among institutions regarding learning outcomes and other performance measures, (ii) encourage innovation and continuous improvement, and (iii) require institutions and programs to move toward world-class quality relative to specific missions and report measurable progress in relationship to their national and international peers. In addition, this framework should require that the accreditation process be more open and accessible by making the findings of final reviews easily accessible to the public and increasing public and private sector representation in the governance of accrediting organizations and on review teams. Accreditation, once primarily a private relationship between an agency and an institution, now has such important public policy implications that accreditors must continue and speed up their efforts towards transparency where this affects public ends.

**4. With too few exceptions, higher education has yet to address the fundamental issues of how academic programs and institutions must be transformed to serve the changing needs of a knowledge economy. We recommend that America's colleges and universities embrace a culture of continuous innovation and quality improvement by developing new pedagogies, curricula, and technologies to improve learning, particularly in the area of science and mathematical literacy.**

- The Fund for the Improvement of Postsecondary Education (FIPSE) should be revitalized and its funding increased. Its original mission of promoting improvement and innovation in higher education needs to be reenergized to sustain and enhance innovation in postsecondary education. The Commission recommends that FIPSE prioritize, disseminate, and promote best practices in innovative teaching and learning models as well as the application of high-quality learning-related research in such rapidly growing areas as neuroscience, cognitive science and organizational sciences.
- An additional purpose of revitalizing FIPSE would be to encourage broad federal support of innovation in higher education from multiple agencies (Departments of Education, Energy, Labor, Defense, and Commerce; the National Science Foundation; the National Institutes of Health; and the National Aeronautics and Space Administration) in order to align and coordinate federal investment of innovation in higher education.

- Institutions should harness the power of information technology by sharing educational resources among institutions, and use distance learning to meet the educational needs of rural students and adult learners, and to enhance workforce development. Effective use of information technology can improve student learning, reduce instructional costs, and meet critical workforce needs. We urge states and institutions to establish course redesign programs using technology-based, learner-centered principles drawing upon the innovative work already being done by organizations such as the National Center for Academic Transformation. Additionally, we urge institutions to explore emerging interdisciplinary fields such as Services Sciences, Management and Engineering and to implement new models of curriculum development and delivery used by institutions such as Neumont University.
- The Commission encourages the creation of incentives to promote the development of open-source and open-content projects at universities and colleges across the United States, enabling the open sharing of educational materials from a variety of institutions, disciplines, and educational perspectives. Such a portal could stimulate innovation, and serve as the leading resource for teaching and learning. New initiatives such as OpenCourseWare, the Open Learning Initiative, the Sakai Project, and the Google Book project hold out the potential of providing universal access both to general knowledge and to higher education.

**5. America must ensure that our citizens have access to high quality and affordable educational, learning, and training opportunities throughout their lives. We recommend the development of a national strategy for lifelong learning that helps all citizens understand the importance of preparing for and participating in higher education throughout their lives.**

- The Commission encourages institutions to expand their reach to adults through technology such as distance learning, workplace learning, and alternative scheduling programs.
- The Secretary of Education, in partnership with states and other federal agencies, should develop a national strategy that would result in better and more flexible learning opportunities, especially for adult learners. The comprehensive plan should include better integration of policy, funding and accountability between postsecondary education, adult education, vocational education, and workforce development and training programs. Emphasis should be placed on innovation incentives, development of tailored, new delivery mechanisms, ability to transfer credits among institutions easily (subject to rigorous standards designed to ensure educational quality), and the ability to acquire credits linked to skill certification that could lead to a degree. The plan should include specific recommendations for legislative and regulatory changes needed to create an efficient, transparent and cost-effective system needed to enhance student mobility and meet U.S. workforce needs.

**6. The United States must ensure the capacity of its universities to achieve global leadership in key strategic areas such as science, engineering, medicine, and other knowledge-intensive professions. We recommend increased federal investment in areas critical to our nation's global competitiveness and a renewed commitment to attract the best and brightest minds from across the nation and around the world to lead the next wave of American innovation.**

- The Commission supports increasing federal and state investment in education and research in critical areas such as the STEM fields, teaching, nursing, biomedicine, and other professions along the lines recommended by the American Competitiveness Initiative, *Rising Above the Gathering Storm*, and the National Innovation Initiative.
- The Administration should encourage more research collaboration, multi-disciplinary research and curricula, including those related to the growing services economy, through existing programs at the Department of Education, the National Science Foundation, the Department of Defense, and the Department of Energy's Office of Science.
- The need to produce a globally literate citizenry is critical to the nation's continued success in the global economy. The federal government has recently embarked on an initiative to dramatically increase the number of Americans learning critically needed foreign languages from kindergarten through postsecondary education and into the workforce. Higher education, too, must put greater emphasis on international education, including foreign language instruction and study abroad, in order to ensure that graduates have the skills necessary to function effectively in the global workforce.
- In addition to these competitiveness trends, the racial and ethnic diversity of our citizens is also changing. The U.S. must respond with public policies that encourage and channel capable students from diverse populations into the health care pipeline to become doctors, nurses, dentists, public health officers and related health professionals and similarly into the pipelines of STEM professions. Two-year and four-year colleges should expand partnerships that encourage the progression of low income and minority students through STEM fields, teaching, nursing, biomedicine, and other knowledge-intensive fields.
- In an effort to retain the best and brightest students and professionals from around the world, the federal government must address immigration policies specifically aimed at international students. The Commission recommends that these international students who graduate with an advanced STEM degree from a U.S. college or university should have an expedited path to an employer-sponsored green card and also be exempted from the numerical cap for green cards. The Commission also recommends eliminating the requirement that in order to receive a student visa, all students must prove that they have no intent to remain in the United States after graduating. After all, talented graduates with sought-after advanced training represent precisely the kind of intellectual capital our nation needs.

#### **IV. Conclusion**

In short, the Commission believes it is imperative that the nation give urgent attention to improving its system of higher education.

The future of our country's colleges and universities is threatened by global competitive pressures, powerful technological developments, restraints on public finance and serious structural limitations that cry out for reform.

Our report has recommended strategic actions designed to make higher education more accessible, more affordable, and more accountable, while maintaining world-class quality. Our colleges and universities must become more transparent, faster to respond to rapidly changing circumstances and increasingly productive in order to deal effectively with the powerful forces of change they now face.

But reaching these goals will also require difficult decisions and major changes from many others beyond the higher education community.

The Commission calls on policymakers to address the needs of higher education in order to maintain social mobility and a high standard of living. We call on the business community to become directly and fully engaged with government and higher education leaders in developing innovative structures for delivering 21st century educational services – and in providing the necessary financial and human resources for that purpose.

Finally, we call on the American public to join in our commitment to improving the postsecondary institutions on which so much of our future – as individuals and as a nation – relies.

Working together, we can build on the past successes of U.S. higher education to create an improved and revitalized postsecondary system that is better tailored to the demands, as well as the opportunities, of a new century.

End Notes

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