Testimony
before the
Department of Education's Listening Tour
on the President's Education Agenda
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I am Mitchell B. Reiss, the 27th President of Washington College, which was founded under the patronage of General George Washington in 1782, the first college in our new nation. We are a four-year residential liberal arts college, home to 1,450 students from 34 states and 30 countries. 17% of our students are students of color, 15% are Pell eligible and 6% are first generation college students.

I want to thank the Administration for hosting this listening tour and traveling around the country to solicit input. I welcome the President's attention to some of the challenges that all colleges and universities face these days, and especially his comment this past August that "A higher education is the single best investment you can make in your future." His remarks were embedded in a larger concern I also deeply share, namely, that the data show that we have become a less upwardly mobile society over the past few decades, with fewer opportunities for families to ascend the socio-economic ladder even if they work hard and play by the rules. When we make that journey so difficult that it becomes beyond the reach of many Americans, then we will have lost something special about our country's character and the national narrative that is the envy of the world.

The President's major theme was to compel colleges and universities to reduce costs to make higher education more affordable for middle income families. He proposed three "basic reforms":

1. Establish a federal ratings system of all colleges and universities to determine which colleges offer "best value";
2. Use federal funds to spur innovation to reduce costs; and
3. Better publicize an existing program that allows students who borrow federal funds to cap their monthly payments at no more than 10% of their annual income.

Let me comment on each one in turn.

A Federal Ratings System

Any ratings system reflects the factors that are being used for measuring; in this case, the President wants to link federal aid to "value," an inherently subjective term.

To the extent that the value of an education is measured in monetary terms—by such factors as cost, price, future earnings, and loan indebtedness—it fundamentally mischaracterizes the nature of higher education. The highest learning—the kind that helps you to become the owner of your life—is not a commodity. To measure the value of an education in terms of its price of entry or its economic return is to encourage yet more of the commodification of education that has already cheapened it. The Administration's emphasis on future earnings of graduates, for example, suggests that institutions producing graduates who go into lucrative fields will be regarded as more "valuable" than those whose graduates go into public service, community advocacy, teaching, or the arts. Although we are all striving to find ways to make college more affordable, we must not allow the economic metaphor to determine the standard of educational value.

To the extent that value is *not* measured in monetary terms, it will be extremely difficult to find a common standard for determining the value of an education, since students weigh many different factors in choosing a college suited to their individual needs. Just as each and every college or university is different and has its own distinctive characteristics of academic and community life, so each student has his or her own life to discover and pursue, a life that is unique and cannot be easily classified or categorized.

The President's plan proposes to group colleges according to similarity of mission. Similarity of mission seldom has anything to do with a student's choice of college. Indeed, I doubt that any but a tiny handful of students look at similarity of mission. Consider the many reasons one might choose a school: its perceived strength in a given area of study; its proximity to home; its popularity with friends and family; its size; its proximity to, or distance from, a big city; its sports program, theater program, religious life, political life, or residential life in general; the climate of its geographical region; the physical or cultural setting of its campus; its respect for diversity of race, sex, national origin, age, and so on—not to mention the availability of scholarships and cost of attendance. The list is as long as the imagination is inventive. There is significant variation between and among community colleges, technical colleges, liberal arts colleges, the Ivies, research universities and for-profit universities. Each has different strengths and weaknesses, each has different missions. Any one-size-fits-all federal approach is sure to have serious deficiencies.

The President's plan proposes to link federal student aid to the ratings. Students attending lower-rated schools would receive less financial aid from the federal government than those attending higher-rated schools. Under these circumstances, students will often feel compelled to choose one school over another for reasons that have nothing to do with their own individual needs, desires, or dreams. The ratings will indicate what kind of education the government is willing to support financially, irrespective of the particular needs and desires of the student. If this approach is adopted, then the government will be directly influencing behavior – both the behavior of those making the choice and those providing the educational options.

Is this the kind of behavioral "influence" our society values? Is this the kind of patronizing behavior we want? Do we not instead value the freedom of individual citizens to make choices for themselves – informed choices, to be sure – about the lives they want to shape for themselves? Only freely educated citizens freely pursuing their own paths to a life worth living can shape a society that will protect the lives and promote the happiness of us all. This last expression ought to be the basis of all public policy in this area. It explains the enormous success of the Pell Grant Program, which resulted in a leveraging of federal dollars to give students from all walks of life a real opportunity to exercise their choices freely within the broad range of accredited schools. This effective leveraging of federal dollars to permit access to higher education (and in turn to further leverage private, institutional and foundation support) has done more than any other set of programs to open up the world of higher education to all with the will and adequate preparation to go to college. The goal should be to help students make informed choices, not to select winners and losers based on the government's definition of value.

The number of ratings and ranking services already available to students and families in print and online has proliferated in recent years. In addition, colleges and universities have designed net price calculators for families to use to estimate the cost of attending our schools, and many of us have easier-to-use Early Estimators on our websites to perform a similar function. Many of us participate in the two-page information sheet under NAICU's U-CAN project, which now has more than 800 participating private non-profit colleges. We are all committed to providing a wealth of information about our colleges to help families in the selection of a college suitable for those planning to attend.

The reality is that there is greater consumer transparency today than ever before. Yet it appears that the Administration believes that colleges and universities are intentionally (or even unintentionally) misleading the American people. And it appears that the Administration further believes that the federal government can do a better job of directing citizen choices than the citizens themselves.

Using Federal Funds to Spur Educational Innovation

I am unclear as to what levers or, given our current budget challenges, what tax dollars, the federal government has that will influence a marketplace that is already vibrant, dynamic and actively innovating.

Five years ago, many of the largest online companies like edX, Coursera and Udacity, did not even exist. Every week now seems to bring new reports of colleges and universities rolling out pilot programs and new ways to deliver knowledge. There appears to be no shortage of venture capital and ambitious entrepreneurs willing to explore and test educational innovations.

However, there is ample room for certain types of innovation in higher education, especially those that can enhance completion rates. Private non-profit colleges take pride in their four-year completion rates, which surpass those of all other sectors – even when controlling for factors such as poor academic preparation and poverty. Collectively, we have brought together summaries of our most effective programs in a website, *Building Blocks to 2020* – which

reinforces the President's aim of the United States having the highest proportion of college graduates in the world by 2020.

We strongly support the Administration's request for the Fund for the Improvement of Postsecondary Education (FIPSE) to support the *First in the World* competition. FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. *First in the World* FIPSE grants would provide much-needed "venture capital" so that colleges and universities could adopt innovative approaches to improve college completion, offer research support to acquire the evidence needed to identify successful strategies, and provide resources to scale up and disseminate strategies we already know are successful.

Capping Monthly Loan Payments

Anything that can alleviate the financial burden of higher education deserves careful study. The President has proposed elongating the repayment period. This policy already exists as part of the College Cost Reduction and Access Act of 2007, but the President rightly stated that it has been poorly explained and marketed and therefore is currently underutilized by students.

The President omitted mentioning that families, on average, are paying a smaller percentage of the cost of college than before (a decline of 35% since 2010), with the result that students are assuming more debt, the interest on which will only increase with longer payment periods. And the Project on Student Debt calculates the average student loan debt as $26,600 for those who graduated in 2011. That is less than the average selling price of a new car, not a bad investment for a lifetime of returns.

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I applaud Secretary Arne Duncan and the Department of Education (DOE) for soliciting the views of those of us in higher education. In this spirit of consultation and the free exchange of ideas, I would like to submit for the record the following questions for Secretary Duncan and DOE. These questions are my own, but I believe they represent the thinking, concerns and aspirations of many of my colleagues in higher education.

Questions for the Administration

1. Most of us in higher education believe that our colleges and universities are the envy of the world. Does the Administration believe that our model is fundamentally flawed?
2. You have no doubt heard many concerns expressed since the President's comments this past August, especially about a federal ratings system and tying it to federal assistance levels. Has the Administration already decided that it will go ahead with a federal ratings system or is it willing to scrap the idea?
3. To what extent are the President's proposals directed at curbing some of the abuses and excesses of the for-profit higher education sector? And if that is the case, why not specifically target that sector instead of targeting the non-profit higher education sector as well?

4. Will the Administration explain the formula it will use to determine “value” for its ratings system? Will it grant a notice and comment period?
5. Will the Administration explain the formula it will use to determine “peer” institutions for its ratings system? Will it grant a notice and comment period?
6. Will the Administration explain the formula it will use to determine “similar missions” among institutions for its ratings system? Will it grant a notice and comment period?
7. Will the Administration investigate ways to streamline the granting of student visas to talented foreign students who wish to come to the United States to study? (Please note that a recently released report from the National Association of International Educators shows that international students and their families at U.S. universities and colleges supported 313,000 jobs and contributed $24 billion to the U.S. economy during the 2012-2013 academic year, based on data from Open Doors and the Department of Education's National Center for Educational Statistics. This is a 6.2% increase in job support and creation, and a nearly 10% increase in dollars contributed to the economy from the previous academic year.)
8. Will the White House support congressional efforts to grant waivers to colleges and universities so that they can discuss tuition and financial aid levels without the fear of violating anti-trust laws?
9. The President recognized that one driver of higher costs for state institutions were states cutting back on aid to state colleges and universities. In August, he promised that "We are going to put pressure on state legislatures to rebalance...legislative priorities." How does he plan to do this?
10. Will the Administration work with colleges and universities to reduce the federal regulatory burden and associated administrative costs? To cite one specific example, will the Administration roll back the unfunded federal mandate that requires schools to pay the costs of verifying the federal loans that students assume?
11. One of the reasons college costs have been increasing is the structure of federal student loans. Student loans should be understandable and predictable for all students and families; they should be flexible, and not carry expensive conditions that add unduly to the level or duration of repayment. Will the Administration re-examine its federal student loan programs? As part of this re-examination, will the Administration consider pegging federal student loan rates to market rates? (Currently, the rates on student and parent loans are considerably higher than market rates.)

I would welcome the chance to continue this conversation at your convenience. Thank you for your time and consideration.