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## [President Obama's Higher Education Proposals Stir Much Debate](#)

President Obama's [plan to make college more affordable](#), announced August 22 during a three-campus bus tour in New York and Pennsylvania has drawn continuing media attention, and has led to much debate in academia - even as details about his proposals remain vague.

The President's plan calls for tying financial aid to college performance, using a new rating system to be developed by the Department of Education before the 2015-16 academic year. It also would hold students receiving student aid, and the colleges they attend, responsible for making progress toward a degree. The President's proposals also aim to give consumers clear and comparable information on colleges' performance, to help students select the institution that best fits their personal goals.

At this point, little exists beyond the four-page outline released on August 22. The White House has said it plans to work with the college community in developing the details. Still, it isn't clear which - if any - aspects of the proposal are up for debate.

Congressional reaction has been cautious. Key Republican education leaders in the House ([John Kline](#)) and Senate ([Lamar Alexander](#)) issued carefully-worded statements in reaction to the President's outline. Democratic education leaders [Sen. Tom Harkin](#) and [Rep. George Miller](#) have issued more supportive statements.

Meanwhile, many NAICU members have issued public statements on the possible effects - both positive and negative - that they see in the President's proposals. Here is a sampling of those reactions ([click on the link to read the full opinion piece](#)). A more extensive compilation of coverage and comments on the proposals is available on the [NAICU website](#).

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"The forms of accountability that the president proposes are important, but they are not sufficient. Moreover, if adopted without sufficient nuance in their application, they have the potential for unintended consequences—the temptation, for example, to produce more graduates at the expense of academic standards and adequate preparation. When isolated from other measures of the quality of education, some of the more easily quantifiable indicators can be misleading."

- [Carolyn A. \(Biddy\) Martin](#), President, Amherst College

"Notwithstanding my profound and serious misgivings about the "Plan to Make College More Affordable," I share the appreciation and gratefulness of most college and university presidents for President Obama's previous

efforts to deal with the problem of college cost. We here at St. John's College join him in this effort, as we continue to pledge our own institutional resources to making the education we offer affordable to all who apply."

- [Christopher B. Nelson](#), *President, St. John's College Annapolis*

"President Obama's plan is shockingly devoid of any sense of respect for, even understanding of, the nature of teaching and learning at the collegiate level, the careful cultivation of the life of the mind through a remarkable diversity of academic programs, the advancement of intellect beyond rote lower learning models, the inculcation in the student of the ability to think independently, to engage in deeply critical analysis, to pursue innovative research, to discover new knowledge, to create new tools for human advancement. The worth of higher education cannot be reduced to the average salaries of recent graduates."

- [Patricia McGuire](#), *President, Trinity Washington University*

"Students and families borrow for college, and make no mistake, the rising amount of borrowing is the catalyst for all of this discussion. The Obama administration knows that the ticket for young people for a brighter and more prosperous future depends on access to education. But to blame institutions without any detailed study as to why costs have risen is ludicrous."

- [Ed H. Moore](#), *President and CEO, Independent Colleges and Universities of Florida*

"Each family is unique. Given the exact same data, families are going to make quite different decisions about colleges, because their needs, goals and circumstances differ. So I would be very cautious about creating some sort of composite "value" rating of colleges and universities. Any rating system I can imagine assumes that different families care about the same things and place the same priority on each of those things. And, in reality, they do not. Students make choices based on what is right for them and for their families. Transparent, easy-to-access information is what they need, not a "one-size-fits-all" rating system."

- [Ronald J. Daniels](#), *President, Johns Hopkins University*

"The irony hit me immediately. On August 22, President Obama unveiled plans to rate and reward colleges and universities based on outcomes as measured by the earnings of their graduates. And yet, just a few months ago, President Obama recognized Gettysburg College and four others as national models for our commitment to civic engagement and community service. I'm having trouble reconciling these two instances. Where in President Obama's plan for evaluating institutions of higher education is the role that a college or university plays in preparing students for community service, for lives of responsible citizenship?"

[Janet Riggs](#), *President, Gettysburg College*

"While I share President Obama's concern about college affordability and student debt, I worry about any ranking scheme that can be influenced by the fashions, or the definitions, of the moment. "Value" has many possible interpretations, and the thought that the standard – and thus the rankings – might change from one administration to another is horrifying. It is well established that people not only tend to earn more money, but also to have a better life, if they get a college education. However, it is simplistic, and ultimately mischievous, to suggest that students should choose their major on the basis of "graduate earnings."

- [Sanford J. Ungar](#), *President, Goucher College*

"The rankings done by the private sector, including [U.S. News and World Report], are very controversial. There is no reason to expect the federal government to do this better than the private sector, mainly because the idea behind a unique ranking that is appropriate for all students doesn't make any sense. Different students care about different things, and the rankings combine a variety of measures that may not be relevant or important to all students. What has been helpful to students and families from the rankings is the information that has become available as a result. The government could help students and families by continuing to make data available. But, combining those data into yet another single ranking will not be helpful."

- [Catharine Hill](#), President, Vassar College

"These issues of affordability, access and accountability and how we set and determine standards are critically important to the future of education in this nation. Any new ranking system for colleges and universities must recognize that all institutions are unique; therefore, it will be challenging to develop a ranking system that accurately reflects each institution's strengths and challenges."

- [Jackie Jenkins-Scott](#), President, Wheelock College

"It is deeply disappointing when the president of the United States opines about college costs in simplistic and finger-wagging terms, echoing the sensationalism of pundits and the media as they discuss the "reform" and "lasting change" needed in higher education."

- [Donald R. Eastman III](#), President, Eckerd College

"Overall, I applaud President Obama for focusing the nation's attention on educational quality and access. I also applaud the President for entering boldly into this area that is critical for the future of our nation and for inviting leaders from across higher education into an important national debate. I am confident we can make progress together."

- [David Skorton](#), President, Cornell University

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## **Dept. Ed. Releases Additional Guidance on State Authorization Rules**

The Department of Education issued [additional guidance](#) on August 9 intended to clarify how institutions can document they are properly authorized by a state.

The state authorization requirements have been a source of confusion since they were first issued in October 2010. This confusion was compounded by [media reports](#) earlier this year that erroneously listed states allegedly out of compliance with the regulations.

A postsecondary institution clearly meets the authorization requirement if it is named in a state charter, statute, or constitution. Other colleges face the ambiguous task of demonstrating that they are authorized by name through "other action issued by an appropriate State agency or State entity."

The guidance provides two examples of what such "other action" might include:

- Documentation that the institution participates in a state grant program that provides assistance only to postsecondary students in the state; or
- Documentation that the institution has an articulation agreement with a public postsecondary institution in the state, and that the agreement provides for credit transfers.

The guidance letter also discusses what constitutes an "active role" by a state in approving or licensing institutions as postsecondary institutions in situations where they are established as businesses or as nonprofit charitable institutions.

For additional background on the state authorization regulations, see this [earlier Washington Update](#).

For more information, contact Susan Hattan, [Susan@naicu.edu](mailto:Susan@naicu.edu)

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## [Dept. of Defense Soliciting Public Comments on Revised Tuition Assistance MOU](#)

The Department of Defense is soliciting public comment on proposed revisions in the Memorandum of Understanding governing its Tuition Assistance (TA) programs. The proposal was published in the August 14 [Federal Register](#). The comment period is open until September 30.

The current MOU was issued in December 2012, following lengthy discussions of administrative and academic concerns about initial drafts. [See [Washington Update, December 10, 2012](#)] The primary purpose of the revisions is to incorporate the elements of the "[Principles of Excellence](#)" outlined in Executive Order 13607 that are not addressed in the current MOU. Among other issues, the principles would require institutions participating in the TA program to use the Department of Education's "Shopping Sheet," and to apply the rules governing the return of Title IV funds in making refunds of TA benefits.

All institutions participating in the Tuition Assistance program will be required to sign the revised MOU once it is in place.

NAICU is working with other higher education associations to develop comments about the proposal. As with its previous review of the MOU, the association's focus will be to help assure that military members can effectively utilize TA benefits without creating procedural requirements that would necessitate significant changes in institutions' administrative or academic policies.

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## [Constitution Day: September 17](#)

In 2005, Congress passed legislation mandating that educational institutions receiving federal funds (including federal student aid) are to hold an educational program on the U.S. Constitution on September 17 each year. This day commemorates the September 17, 1787, signing of the Constitution. The federal provision does not define "educational program." This means that colleges and universities have a great deal of latitude in exactly how they choose to recognize the day.

NAICU encourages all of our members to embrace this opportunity to advance civic education.

The New York Times Learning Network and the American Democracy Project have posted a detailed [Constitution Day Planning Guide](#) which includes programming ideas. Also see the National Constitution Center's [Constitution Day mini-website](#) for more information.

The regulations don't require activities to be reported.

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## [Student Loan Default Rate Creeps Higher](#)

The two-year student loan cohort default rate (CDR) crept up just 0.3 percent for 2010 to 9.1 percent, according to the Department of Education. The rate for 2009 was 8.8 percent. This 2010 increase was much smaller than the increase from 2008 to 2009 of 1.8 percent. The rate was 5.2 percent for the 2006 cohort.

The 2010 four-year private nonprofit colleges rate of 5.1 percent remains the lowest of all sectors. Still, it is up from the prior cohort rate of 4.5 percent. Private colleges of three years or less had higher CDRs. The 2010 rates for public four-year institutions increased from 5.1 percent to 6.0 percent, with shorter term publics at twice that level.

Proprietary four-year colleges again had the highest default rates, but showed a decrease from 15.4 percent in 2009 to 13.6 percent for 2010. There was little difference between the rates for proprietary four-year and shorter-term schools, although the shorter term program rates were slightly lower.

For the first time, the Department published finalized three-year cohort default rates: 7.3 percent for four-year private nonprofit colleges; 7.9 percent for four-year publics; and 23.0 for four-year proprietaries.

The Department also published budget lifetime and cumulative lifetime default rates, with the cumulative lifetime default rates for proprietaries being nearly three times the rate for private nonprofit and public four-year institutions. These rates, however, are not comparable to the two- and three-year rates above. The budget lifetime is based on the dollar value of the loans and the cumulative lifetime is based on the number of loans, while the shorter-term rates are based on loan borrowers.

[These charts](#) offer more details on the default rates.

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## **Reminder: SAM Project Registration Continues**

The Student Achievement Measure (SAM), the new project to measure student progress and completion launched by the six national higher education associations, continues to accept college and university registrations.

Led by the Association of Public and Land-grant Universities (APLU) and the American Association of State Colleges and Universities (AASCU), and using data from the National Student Clearinghouse, SAM seeks to report student progress at the bachelor's degree and associate's degree/certificate level, including students who enroll and graduate from the same institution, transfer and graduate from one or more subsequent institutions, and students whose status is unknown.

Participation in SAM is voluntary, and also requires joining and paying the membership fees for the National Student Clearinghouse. Institutions electing to participate in SAM will post their own student achievement data on the SAM website after the 2012-13 academic year data become available.

More details can be found on the [SAM website](#).

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## **NAICU Co-sponsors Upcoming NACUA Compliance Symposium**

The National Association of College and University Attorneys (NACUA) will offer a Symposium & Continuing Legal Education Workshop: Higher Education Compliance Programs and Obligations, to be held in Washington, D.C., November 6-8. NAICU has joined several other higher education organizations in co-sponsoring the symposium.

The schedule calls for a first day of "big-picture" discussions of compliance obligations and appropriate regulatory balance. The following two days will be devoted to practical workshop sessions, as well as discussion groups focused on specific regulatory issues and practices.

The program is directed to college and university counsel with responsibility for institutional compliance programs and issues. Campus administrators such as compliance officers, risk managers, chief business officers, and others with significant responsibility for college and university compliance will also benefit from the program.

A [detailed schedule and registration information](#) are posted on the NACUA site.

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