

The Federalization of Higher Education?

Paul E. Lingenfelter

President, State Higher Education Executive Officers

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The title of this conference is "The Federalization of Higher Education." I've added a question mark to that title for my remarks, because I don't know anybody who seriously wants a greater federal role in higher education. It very clear, however, that we face national issues that require us to develop a consensus about national solutions.

I will begin by reviewing the well-known changes and challenges in higher education that are driving this discussion. We need to change the ways we do business to meet these challenges, and it will take all of us, working together to be successful. I'll conclude by saying a few words about what SHEEO plans to do.

1. From an individual perspective postsecondary education, in some form, has become an economic necessity for supporting a family and experiencing a middle class life. From a national perspective, the viability of the American economy and the functioning of our democracy require widespread, successful participation in higher education. The business community is telling higher education it needs more well-educated workers and it needs better educated workers – more quantity and better quality. These are the reasons the President has called for unprecedented levels of postsecondary attainment.
2. In response, enrollment demand has never been higher. Public FTE enrollments have grown 35 percent in the past ten years, and other sectors are growing as fast or faster. Enrollment demand is creating innovation and healthy competition within higher education. It also is stretching our capacity to finance quality instructional programs.
3. The major public policy issue is what will it take to achieve the much higher levels of *authentic* educational attainment necessary in the United States? Among other things it will take:
 - a. Improved preparation for postsecondary education in K-12;
 - b. Strong student financial assistance programs to enable students to enroll in and complete postsecondary degree and certificate programs;
 - c. Better, creative, diversified, and more effective methods for delivering instruction and the supports required for student success;
 - d. Qualified, student centered faculty;
 - e. The contributions of every sector; and
 - f. More public investment in postsecondary education and more productive and efficient institutional practices at a time when our country faces difficult financial challenges.
4. Meeting our attainment goals also will require us to build something we don't have – an effective, efficient system for quality assurance and improvement. We need a system that is consistent with

the broad range of student needs, that is flexible enough to accommodate different delivery systems, that efficiently uses scarce institutional and public resources, and that prevents and corrects substandard practices and inspires and promotes excellence. An effective quality assurance system will not inhibit market-based competition and innovation, but it cannot be overwhelmed by market forces.

5. Two of the many shortcomings of our quality assurance and improvement system are related: its lack of consistency and efficiency. For several years the President's Forum has focused attention on the challenge distance educators face in complying with different regulatory requirements among the states. This is a legitimate problem, and it has been placed in sharp relief by the proposed federal rule requiring all Title IV institutions to comply with applicable state laws.

Clearly, a regulatory framework with 50 varieties (and perhaps more when institutions offer multiple programs), cannot be efficient. When it was not connected to Title IV this situation was an annoyance and source of potential threat to distance educators, but a lot of people in higher education didn't feel their pain. The fact is that, especially in distance education, state laws and regulations have been sporadically enforced and frequently ignored, especially by traditional institutions working in multiple states. Now the proposed federal rules make ignoring state laws impossible, and the current situation is difficult both for regulators and for those regulated.

6. Of course, the lack of consistency makes effectiveness just as impossible as efficiency. If there are no consistent standards, the legitimate and necessary purposes of a regulatory framework cannot be achieved. People have different opinions about the need for regulation in higher education and about how it should be done. I acknowledge a lot of room for debate, and enormous need for creativity, but I believe the growing demand for higher education and rapidly changing delivery systems are creating problems related to quality assurance that we can no longer sidestep.
7. Our system of quality assurance is weak at both ends of postsecondary education. Our tradition has been to give the student the benefit of the doubt on "ability to benefit" as a criterion for receiving federal aid. We have created open-enrollment institutions, and we have encouraged institutions to provide access to opportunity. Our standards for "ability to benefit," are generous, as they should be, given the importance of postsecondary education. But we have an obligation, when we admit students on the "margin," to assure that most of them really do benefit.
8. Generous standards for entry need to be coupled with legitimate, and to some degree *externally validated* standards for achievement as one exits postsecondary education. But our standards for the quality of a degree or certificate are a patchwork crazy quilt. In some cases we have patches of solid gold; students must demonstrate the acquisition of significant knowledge and skill to complete a degree or certificate. In other cases we have patches of frayed cheesecloth, full of holes.

I am not a fan of "one size fits all," nor am I a fan of simple, test-based, degree standards. But with enormous incentives to enroll in higher education and substantial public subsidies it is unsurprising

we have problems with a fragmented quality assurance system. We motivate institutions to stretch the limits of “ability to benefit” but we don’t hold them accountable for real achievement. Institutions have incentives to enroll students who are unlikely to benefit without very skillful teaching and support, and we have historically tolerated large rates of attrition. As we put pressure on institutions to reduce attrition, we risk the deterioration of whatever standards we have for authentic achievement.

The Degree Qualifications Profile developed with the support of the Lumina Foundation is an effort to begin a conversation about meaningful standards for degrees to be supported by multi-faceted, sophisticated, professional assessments. This may, or may not be part of the solution, but the academic leaders of every sector of postsecondary education should get seriously involved in the conversation about what we expect a degree to mean in the United States and how we will make those expectations meaningful.

We are spending massive and growing amounts of public money on federal student assistance with inadequate assurance that individual students, or even most of the students are advancing educationally. Without doubt the vast majority of students benefit greatly from higher education, but some, perhaps many, may actually be harmed by aspects of the status quo.

9. So what kind of quality assurance system do we need? What does it mean to be effective and efficient in this context?

Our quality assurance system needs to be consistent with the national need for greater and higher educational attainment. That means clear evidence of attainment while preserving and expanding opportunity. We cannot afford to waste valuable human and financial resources on unproductive participation in postsecondary education. We need to stretch to meet the educational needs of the marginal student, and we need to help average and above average students stretch to meet higher levels of attainment. The nation can’t tolerate, and students can’t tolerate high rates of unproductive postsecondary enrollment. Neither can we afford to improve graduation rates by excluding students who, with good instruction and support, are able to achieve postsecondary knowledge and skill.

10. To be efficient as well as effective, we need a more coherent quality assurance system, and one that is better tailored to student needs and institutional characteristics. States and accreditors need to work together to adopt either common standards for institutional approval or reciprocity agreements that amount to the same thing. To the extent we can achieve them, common standards and approaches for minimum thresholds of quality assurance would be best. The crazy quilt of standards and practices we now employ serves nobody well.

But it seems to me that an efficient quality assurance system cannot have identical procedures and approaches for widely different institutions. Ironically our crazy quilt of ineffective quality control frequently treats very different institutions the same. The need to guard against inappropriate

practices on the “ability to benefit” dimension obviously don’t apply to institutions who admit only students with very strong records of academic achievement. We need a quality assurance system that can prevent and remedy the abuse of students and the abuse of public financial aid programs on which all of higher education depends.

I won’t take more time here on the details of a better quality assurance system, except to say I think there are differences between minimum threshold standards for operating, qualifications for a degree, and good practices for continuous quality improvement. All need attention, but it seems to me that minimum threshold standards for operating require governmental involvement, and that qualifications for a degree and practices for continuous quality improvement should be handled by the academic community through accreditation.

11. While nothing should be off the table in these discussions, let me say first why I think a state role in setting minimum thresholds for operating may be unavoidable, and second what it would take for the state role to be most helpful.

States have legal powers in our federal system, and they have chosen to exercise regulatory powers in many lines of business that serve the public, including postsecondary education. States have established laws, and they have powers of enforcement that accreditors do not. Many states take their responsibilities of consumer protection quite seriously, and assume obligations such as preserving access to student records when an institution goes out of business. Even when states choose, as many do, to rely largely on accreditation for institutional authorization, they have an unavoidable role in consumer protection.

It is clear to me that differences among the states in the exercise of these responsibilities add an undue regulatory burden on institutions seeking to operate in many states. It is also clear that differences among the states in their standards and in the enforcement of whatever standards they have greatly weakened the national capability for quality assurance. The ideal state laws and regulations for institutional authorization should constitute a light regulatory footprint focused on minimum threshold standards, and as far as possible, should be consistent across the country.

12. SHEEO will do the following toward these ends.
 - a. We are pursuing the development and perpetual maintenance of a comprehensive and authoritative directory of state agencies with regulatory responsibilities in postsecondary education. In addition, we intend to develop an authoritative, up-to-date compendium of state regulations and policies affecting the delivery of postsecondary education.
 - b. We intend to use this directory of state policies and practices to encourage and promote more effective practices and more consistent practices among the states.
 - c. We are prepared to work with others, institutions of higher education, accreditors, state regulators, governors, legislators, and other associations to develop and promote model standards for state regulation and reciprocity agreements that would greatly simplify and lighten the regulatory burden on institutions operating in multiple states.