

Federal Triangle

From *Connection: The Journal of the New England Board of Higher Education*, Volume XVIII, Number 2, Fall, 2003

Congress Focuses on Access, Affordability and Accountability

TERRY HARTLE AND CHRIS SIMMONS

Part I of a special CONNECTION series on reauthorization of the federal Higher Education Act

Congress has begun to rewrite (or in the technical parlance, "reauthorize") the Higher Education Act, the federal law that authorizes student aid programs like Pell Grants, student loans, Federal Work-Study, TRIO and GEAR UP. This will mark the eighth time that the law has been formally revisited since it was enacted in 1965. It is a long and complex process that usually takes two full years to complete.

It's still early in the process and predicting what Congress will do is likely to prove foolhardy. Still, in any reauthorization cycle, there are a handful of issues with significant implications for the relationship between the federal government and higher education institutions.

At this point, it appears that three issues should be on

the radar screen of every senior campus administrator and trustee in the country: access to college for low- and middle-income students, the affordability of a college degree and the accountability of colleges and universities.

Access. Equalizing college participation by low- and upper-income students has always been the primary goal of federal student aid programs. But despite the billions of dollars spent on federal aid over the last 30 years, low-income students remain seriously under-represented at America's colleges relative to middle- and high-income students. While the percentage of low-income high-school graduates who attend college has grown in recent decades, so has the percentage of their more affluent peers who do. The "participation gap" between students from high and low incomes is exactly the same as it was before the federal student

Federal Student Aid Programs

Program	FY 2002	FY 2003	FY 2004 Bush Request	FY 2004 House Approved
Pell Grant	\$11.314 billion	\$11.365 billion	\$12.715 billion*	\$12.250 billion
Maximum Pell	\$4,000	\$4,050	\$4,000	\$4,050
FSEOG	\$725 million	\$760 million	\$725 million	\$760 million
Federal Work-Study	\$1.011 billion	\$1.004 billion	\$1.011 billion	\$1.004 billion
Perkins Loans (Capital Contributions)	\$100 million	\$99.35 million	-0-	\$99.35 million
LEAP	\$67 million	\$66.56 million	-0-	\$66.56 million
TRIO Programs	\$802.5 million	\$827.09 million	\$802.5 million	\$835 million
GEAR-UP	\$285 million	\$293.08 million	\$285 million	\$300 million

*Includes funding to pay off the 2002-03 shortfall.
Source: National Association of Student Financial Aid Administrators.

aid programs were created. Why?

Some analysts believe that low-income students lack information about the benefits of higher education and the availability of student aid. Others think that many low-income students didn't receive the academic preparation in high school to succeed in college. Still others focus on the absence of financial resources. But analysts do not agree about which factor is the most important barrier to college participation, and the re-emergence of a federal budget deficit makes it impossible for Congress to fund all the new initiatives that policymakers (and we) might like.

Obviously, the federal government could play a role in any of these areas. A national advertising campaign could boost student awareness about college and student

programs if their tuition increases exceed a level set by the federal government. This amounts to federal price controls on colleges.

Congressional action on affordability is problematic. For one thing, tuition-setting at public institutions relates directly to how much campuses are supported by state governments. In recent years, many states have consciously cut operating support to colleges, knowing tuition would rise to make up the difference. It doesn't make sense to blame colleges for actions taken by state legislatures.

In addition, almost all federal student aid is given to students, in effect, as a voucher that can be used at any college the student chooses. In theory, student aid recipients who find tuition too high at one college can

aid. High-quality early intervention programs, like TRIO and GEAR UP, could increase the number of academically prepared low-income students. Improving the quality of secondary school—as the federal government’s No Child Left Behind Act (NCLB) seeks to do—would also improve academic readiness. And substantially boosting the amount of available student aid would surely reduce financial barriers to participation.

Even more worrisome, perhaps, is the assumption by some federal officials that increases in federal student aid will just be consumed by tuition increases and would therefore not make a significant difference in student participation. Which brings us to the second concern.

Affordability. It’s no secret that college prices have increased sharply in recent years, especially at public colleges and universities. Many members of Congress believe these increases have made it impossible for students—especially from low-income families—to go to college. Some believe the problem could be solved if colleges were simply “more efficient.” Others have begun to discuss more draconian ways to deal with the issue. For example, Rep. Howard “Buck” McKeon (R-California), the influential chairman of the House Subcommittee on 21st Century Competitiveness that will write the reauthorization in the House, has proposed barring schools from the federal student aid

go to another, less expensive one. Since the federal government gives very little money directly to colleges, it has few ways to influence institutional behavior—unless it uses a heavy club.

At a minimum, Congress is likely to impose new reporting requirements on colleges related to tuition and will search for “incentives” to help minimize tuition increases. Whether Congress eventually settles on some form of price controls remains to be seen.

Accountability. This term means different things to different people. It could mean that there is not enough good consumer information available to help students and families select a college. But this is simply not true. As a trip through any local bookstore will reveal, consumers have a dizzying array of information available to help them select a college. In addition, colleges provide a plethora of data to the federal government on almost every aspect of their operations.

“Accountability” also means that colleges and universities lack an open and transparent process for ensuring the academic quality of institutions. This is true. The principle means of quality control in higher education is accreditation, which was never intended to be a public process. Rather, accreditation is designed to promote institutional review and self-improvement; a function that it continues to serve very well. Ironically, turning

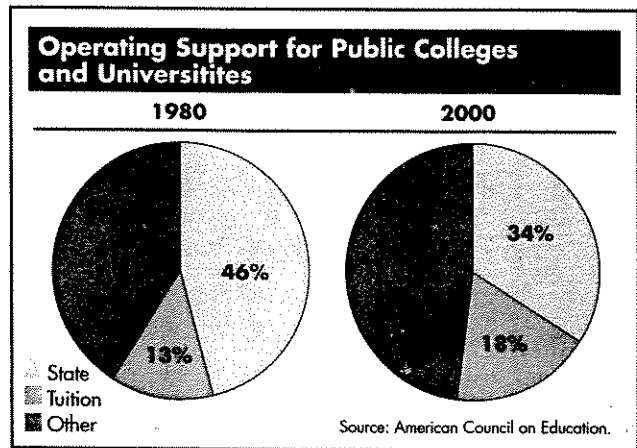
14 NEW ENGLAND BOARD OF HIGHER EDUCATION

accreditation into a more public process may actually undermine it if the confidentiality that is now a hallmark of the process is lost or diminished.

Other federal officials use “accountability” in a very general way to suggest that some students are not acquiring a sufficient level of knowledge in basic areas such as history, English and mathematics. Again, there is little evidence to support this view, but it remains a persistent concern to the point that one witness at a congressional hearing called on Congress to develop a test that could be given to all students between their first and second years of college. The difficulties of designing and implementing such a test are, of course, overwhelming and, for now, there appears to be little support for such an idea.

Ultimately, the basic goal in reauthorizing the Higher Education Act for colleges and universities is always the same: to revitalize this venerable legislation to meet current and emerging student needs without the imposition of costly new mandates or requirements that would significantly alter the relationship between the federal government and colleges. Changes in public policy as a result of this process are necessary and desirable. But it’s a thin line between good and important changes and modifications that shift control of higher education from the campus to a Washington (or state) bureaucracy.

If the landmark No Child Left Behind law enacted in 2001 is a guide, the possibility of inappropriate intervention is greater this time around than it has been in past reauthorizations. While few observers think that the qual-



ity of higher education warrants the dramatic change that the NCLB aims to bring to elementary and secondary schools, the NCLB precedent suggests that some federal policymakers are perfectly willing to bring Washington’s heavy hand to the college campus. Stay tuned.

Watch the Winter 2004 CONNECTION for Part II of this series exploring how reauthorization will impact New England institutions.

Terry Hartle is senior vice president of government and public affairs at the Washington, D.C.-based American Council on Education.

Chris Simmons is the council’s assistant director of government relations.