



Advertisement



See why Ohio State University chose iPod touch to train their medical students.



Views

Re-sorting Responsibilities

October 15, 2010

By Arthur M. Hauptman and A. Lee Fritschler

The current student financial aid system and the existing process for assuring quality in higher education share a common problem: key stakeholders in both are either being asked or are seeking to do things they are not capable of doing well. Many of the changes suggested in recent higher education debates would worsen this mismatch of function and responsibility. American higher education does need to be reformed in key ways -- but these changes should focus instead on making sure each group of stakeholders is capable of doing what it is being asked to do.

What is wrong with the current structure? In short, federal and state governments, accrediting agencies, and institutions are being asked to do important tasks without having the requisite skills, resources, and -- often -- legal authority to do them. By the same token, the traditional role of faculty in judging quality is being largely ignored. Parents and students are also required to provide a set of information that often requires estimates and guesses that are not easily made, all at risk of federal penalty if not done correctly.

Federal and state governments are increasingly being asked -- or are themselves seeking -- to assess the quality of higher education. According to proposals now under discussion, federal and state governments would become more involved in issues such as measuring learning outcomes and regulating credit hours. These proposals seem largely to ignore the traditional role of faculty in judging whether and what students have learned, and the responsibility of institutions in establishing credit hours.

To the extent any of these proposals become reality, there would be a tremendous shift in the relationship between government and higher education in this country, as federal and state governments have not typically involved themselves in academic matters. This would also make American higher education more like primary and secondary education, where state and local governments are much more involved than teachers in setting standards for testing and curricular matters. We think moving higher education in the direction of K-12 education would represent a terrible misstep.

Further, President Obama has set a goal to increase graduation and attainment rates very rapidly in this country, much faster than what historical trends suggest is feasible. At the same time, the administration is proposing to require institutions that provide short-term training to collect information on how many of their graduates have jobs and to punish schools whose graduates are unable to find jobs in the fields for which they are trained. They also propose to penalize or eliminate federal aid eligibility for students attending schools where too few graduates repay their loans. While these initial rules would be limited to non-degree programs, it is hard to imagine -- if they prove successful -- why they would not be applied to all of postsecondary education in the future.

While undesirable lending practices certainly should be curbed, an approach based on punitive actions that restrict access while requiring difficult data collection is unlikely to succeed. Further initiatives are needed that deal with chronic predatory practices while preserving and enhancing access in a way that is administratively practical. But to require institutions at any level to collect

employment and income data about their graduates is to give them a task that they have not been responsible for in the past and for which they have little skill or resources to accomplish in a reasonable way.

And, one might add, how are job placements to be measured? If a student trains in science and finds a job selling insurance, is that to be counted as success or failure? Will this requirement encourage higher education institutions to become more vocationally oriented than they are already? Will there be a negative impact on general education, innovation and creativity? As a practical matter, are institutions in high-unemployment Detroit to be held to the same standards as schools in the high-employment Washington, D.C., area? Making schools responsible for their job placement rates is likely to result in fewer disadvantaged students enrolling and thus a drop in their participation rate.

Federally recognized accreditors, in addition to reviewing the academic and administrative capacities of institutions before granting accreditation, are also required to review the financial condition of institutions as laid out in Title IV of the Higher Education Act. They therefore must determine whether the institutions are complying with the bewildering complexity of federal student aid regulations. While the accreditors do their best to meet these obligations, they are not well-structured to do any of this financial or administrative review. The system might well benefit from the federal government turning instead to licensed auditors for this work on a contracted basis.

Colleges and universities in the current system are regularly asked to police student aid applications and then required to modify financial aid based on these audits. But without legal access to applicants' financial records, they must rely on the accuracy and authenticity of student/family submissions, as the IRS will not share individual filings and the institutions lack subpoena authority. The current aid structure also provides little or no incentive for institutions to keep their costs down – if anything, it adds to these costs through stiff administrative requirements. As a result, the aid system does little to encourage institutions to produce the desired results of increasing the participation and attainment rates of low-income students while protecting student interests.

Students and parents are required to fill out the complicated FAFSA and supplemental forms that require data that have already been submitted as part of the federal income tax process. They are further required to answer a difficult set of questions about their assets and liabilities that are not part of the tax filing process. How can student aid officers then be expected to verify the information they receive from parents or students? Moreover, borrowers who qualify for income contingent repayment plans they are required to resubmit their income information because the Internal Revenue Service has been unwilling to supply that information to lenders or other note holders who must arrange these alternatives repayment plans.

Rethinking the Roles

These responsibilities must be re-sorted if the effectiveness of the system is to be improved. To do this, what is needed is a new compact among the key stakeholders in which each is asked to do what it is capable of doing without being asked to stretch well beyond its capabilities. This new compact might look something like this:

Accreditors would no longer be required to review the financial strength of institutions as part of the accreditation process. This would free them up to focus their resources on reviewing institutional academic and administrative capabilities. The federal government instead would rely on contracted auditors as well as its own compliance procedures that define the financial health of institutions. By not having to do financial reviews, accrediting agencies could play a key role in the development of new ways to assess institutional performance, such as the qualifications frameworks that many countries in Europe and elsewhere use to clarify what is expected from graduates of secondary and tertiary levels of education and training. There are many approaches to framework-building, and it would be useful to institutions and their constituencies if accreditors could experiment with approaches to sharpen internal measures of quality.

The **states** under this new configuration could take the lead in engaging with institutions and faculty in the process of measuring and improving the quality of higher education. The Irish quality assurance process provides an example of how government and institutional officials in concert with faculty can work effectively to measure quality in programs within institutions. This programmatic evaluation of quality, in turn, could be used to enhance the institutional accreditation process, as accreditors would have these programmatic reviews available to them as they review the institution as a whole. This would also recognize the reality that programs,

departments and schools within an institution can vary considerably in their quality, a fact not really recognized in the traditional institution-based accreditation process in this country.

The **U.S. Department of Education** would take on the primary responsibility for reviewing the financial capability of institutions, replacing accreditors in this regard. The department's well-developed formula for assessing the viability of an institution should suffice for this purpose. The role of the IRS vis-a-vis higher education would also change. The IRS already is responsible for auditing those families that claim tuition tax credits. That role might be expanded in two ways: One is to provide income tax information to other federal agencies and institutions for use in the calculation of federal student aid eligibility, by allowing students and parents to check off when filing their income tax forms. And the IRS should also be required to provide income information used to calculate eligibility for borrowers repaying on an income-contingent basis.

Institutions, as a general principle, should not be asked to provide information or to collect information that which they cannot realistically provide. This includes doing audits of income tax forms of parents and students applying for student financial aid. It is also not clear that asking for the employment status and/or income of their graduates is a proper allocation of responsibilities. On the other hand, it seems perfectly reasonable to ask institutions to provide more information about their current students; including how many are Pell Grant recipients and how many of them graduate. It also seems fair to assume institutions would more readily provide this information if it were linked to how much performance-based federal funds they received.

All institutions should also be given more responsibility for their students who borrow and who default on their student loans. This increased responsibility could include having institutions pay a fee for each of their students who default and then allowing or encouraging institutions to pay off the loans of some of their students who did not receive adequate training as evidenced by their chronic unemployment. This shift in responsibilities would seem far preferable to the proposed regulation that would require institutions to gather information on the employment status of all their previous students.

As part of the new compact, **students and parents** should be able to use their income tax submission as a way to apply for student aid. Moreover, for students and parents who do not pay taxes because of their low income, those on welfare, Medicaid, food stamps and EITC should be fully eligible for federal student aid rather than the current practice that reduces their aid because of the receipt of these non-taxable benefits.

In sum, this reordering of responsibilities would lead to more effective functioning of the student financial aid and quality assurance systems. Each stakeholder would be asked or required to perform tasks that they are well-suited to performing. Institutions, parents, and students would not be asked to provide information that they often do not have. Accreditors would be freed up to do reviews of academic and administrative operations of the institutions as well as initiating reforms such as the development of qualifications frameworks. Faculty would be re-engaged in the process of assuring quality and quality improvement in a policy-relevant way.

This is a much prettier and effective picture than the one we face in the current set of debates.

Arthur M. Hauptman is an independent public policy consultant. A. Lee Fritschler is a professor in the School of Public Policy at George Mason University and former assistant secretary for postsecondary education at the U.S. Department of Education.