

The Spellings Commission Report

THE CHAIR'S PERSPECTIVE

The formal name of the Spellings Commission was *A National Dialogue: The Secretary of Education's Commission on the Future of Higher Education*. This longer title contains three key words—national, dialogue, and future—that help describe the commission's work. From the beginning, the commission made an effort to be *national* in scope. It met eight times in the course of a year, in six different cities across the United States. Its goal was to initiate a *dialogue* on the issues surrounding American higher education, and its focus was on the *future* of higher education—not its current or past status. Charles Miller served as chair of the Spellings Commission. He is a former chair of the Board of Regents of the University of Texas System and also chaired the group that designed the public school accountability system for Texas. Miller discusses the commission's work and responds to the criticisms levied at it.

NOTEBOOK

- The Spellings Commission's primary focus was on four key issues: access, affordability, accountability, and quality.
- The commission wrote in its report: "We found that our financial aid system is confusing, complex, inefficient, duplicative, and frequently does not direct aid to students who truly need it."
- The commission concluded that the American higher education financing system is dysfunctional. The growth of costs is excessive, and there are no incentives in the current revenue-driven structure to increase productivity.
- Full transparency would shed light on best practices, the full costs of education, and ways to measure productivity. It is the easiest way to achieve and maintain the autonomy institutions need to do their business effectively.



The Spellings Commission

The Spellings Commission was formed in 2005 and released its report after a year of deliberations and hearings in September 2006. The commission was a bipartisan group comprised of 18 independent, open-minded, and distinguished members who committed an enormous amount of time and energy to the effort. The commission held eight meetings and broke down into task forces. There was much informal exchange of thoughts and ideas by mail, e-mail, telephone, and small group meetings—about as much individual contact as one could possibly have in a year's time. We also found many people willing to share huge amounts of data and information with the commission. Nothing was predetermined, and the results of our deliberations were not manipulated.

The commission eventually achieved consensus on almost every major issue, finding, and recommendation. At the end of the day, the report's title, *A Test of Leadership*, is an important statement in itself. Every commissioner felt that we needed to bring a large part of American leadership, especially the business community, into the discussion. If the debate about the future of American higher education continues to be among just policy makers and the academy, we're probably not going to get where we need to go.

Access, Affordability, Accountability, and Quality

The commission was problem oriented. Its primary focus was on four key issues: access, affordability, accountability, and quality. These issues are not unique; Congress discussed them when it began reauthorizing the Higher Education Act several years ago. And clearly the issues are interrelated; indeed, it was difficult to separate them as we did for the purposes of discussion.

Access

Access to higher education is hindered by the lack of alignment between the requirements to graduate from high school and those required for admission to a college or university. And even when requirements are clear, the quality of academic preparation for college-level work is seriously lacking. It has been too easy for the higher education sector to say that the K–12 sector has failed and is the source of the problem; rather, higher education should share some of the responsibility and contribute to finding a solution to the preparation problem. Early intervention, for example, is extremely critical and something that colleges and universities can do.

Costs also affect access. The costs of higher education are going up faster than almost any other thing we buy or spend money on, and over the past 25 years they have consumed an increasingly larger share of family income. That is not a sustainable system. The commission wrote in its report: “We found

that our financial aid system is confusing, complex, inefficient, duplicative, and frequently does not direct aid to students who truly need it.” That's a strong condemnation. The commission recommended that the entire student aid financial system be restructured. That would be an improvement, but what really has to happen is a complete restructuring of the cost model itself.

Affordability

The American higher education financing system is dysfunctional. And as price, particularly for families of students, gets closer and closer to the cost of education, or goes beyond it, the situation worsens. The growth of costs is excessive, and there are no incentives in the current revenue-driven structure to increase productivity. Indeed, productivity cannot even be measured well with the information currently available. The problem does not stem from the level of state funding for higher education, which for the past few years has hit record levels.

The current financing system is unsustainable. I am convinced that we need to find a way to bring private capital into higher education in a productive manner. If we could find a way to fund collaborative models, with private capital working in conjunction with the expertise and brands of American higher education to make money for the investor and for the institutions, we would open an avenue for the creation of new models and innovations. There is no other source of such money. We need to find a way as a nation to make this happen.

Accountability

The commission emphasized the need for greater transparency to enhance accountability. Those managing colleges and universities need better information to make informed decisions. The public needs better information to make decisions both about where to go to college and about supporting higher education with tax dollars. Transparency equals trust. At this point, policy makers do not have a clue about higher education. I cannot understand how American higher education is as good as it is given the very limited and bad data available to assess it. There is very little data that would be useful for longitudinal studies, and when the commission discussed unit record systems that would make it possible to track individuals from K–12 through higher education and into their working lives, loud protests arose about invading people's privacy. Yet it is entirely possible to maintain unit record systems and still protect individuals' privacy.

I am convinced that unit record systems eventually will be used to track student progress. Some states are beginning to discuss doing so, and support from higher education officers, governors, and legislators for the idea is growing. I expect systems will be built from the ground up, at the state level, and then be adopted nationally. Today, nearly 10 percent of students attend

five different academic institutions, and 50 percent or more attend at least two. We need to be able to track such students. We need to be able to track the effects of education policies and the outcomes for students after they leave school and enter the workforce. Like it or not, most people go to college to get a better job. We need to know far more than we do now—the current state of information technology and systems easily would allow us to implement a unit record system if we were willing to do so. But the commission didn't get very far on this front because of the so-called privacy issue. Yet, the fact is that all kinds of unit records—social security, taxes, health care, the census—are used in this country, and they are constitutional. We badly need them in education to provide more information and transparency about student learning and success.

Quality

Surveys and anecdotal evidence from employers show signs of decline in student outcomes. This is also a matter of quality relative to cost—that is, an economic issue and not just an absolute issue. For example, the Organization for Economic Cooperation and Development (OECD) recently released data showing that U.S. higher education has the highest dropout rate of all the developed countries in the world.

Accreditation has not proved to be a good quality control technique, and I believe it is the biggest barrier to change and innovation in higher education. Accreditation needs to change. It has more obvious and inherent conflicts of interest than any system I have ever seen, and it needs to be fixed. Accreditation needs to be more transparent and more subject to review and accountability. It needs to be restructured to allow prospective new higher education models to gain experience and expertise and thereby earn recognition rather than be completely shut out of the process.

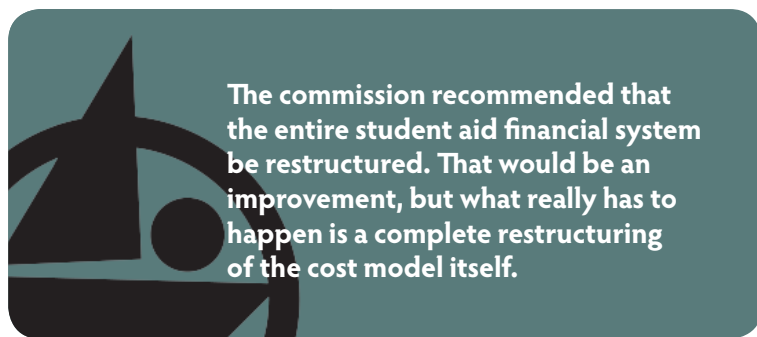
Response to Criticisms of the Commission

Even before it began its work, the commission was subject to two major criticisms: first, that the commission was going to recommend that higher education be federalized immediately, and second, that it was going to propose the use of standardized tests similar to the No Child Left Behind Act for the K–12 sector. Suspicion about the commission's motives and uncertainty about its direction created these concerns, but they could not have been farther from the truth.

Approximately one-third of public higher education's funding, and roughly one-quarter of private higher education's funding, is from the federal government in the form of either research grants or financial aid. The federal government has been the most important single element in policy setting for higher education

in the United States. Clearly, the question is not whether the federal government is involved in higher education; rather, the nature of its involvement is in question. Historically, federal intervention has been extremely effective and allowed universities to thrive; achieving a balance of support and oversight is crucial to allow that to continue to happen.

I'm a libertarian. I worked in public education in Texas to de-regulate by creating a public school accountability system. The argument we used in the early 1990s—when no other state-wide accountability system existed—was that if we had a way to measure outcomes, we could turn a centralized bureaucracy overseeing 1,000 school districts and four million children over to local control. That goal was the root of the argument to devel-



op a standardized testing system. Standardized testing in public education makes sense because states establish the curriculum and what they expect students to learn. In Texas, we simply tied that together by initiating a curriculum-based testing system and making schools the unit of accountability.

Thus, I began as chair of the Spellings Commission with the idea of instituting accountability and assessments based on the mission of higher education and allowing maximum autonomy to the academy and to individual institutions. Criticism about the commission planning to impose standardized tests akin to the No Child Left Behind Act simply didn't reflect my background. That wasn't the commission's intent, and that isn't going to happen.

That said, I also believe that there are standardized tests that work very well. Some tests are quite effective at measuring student outcomes, which after all are the principal mission of education. I believe that tests such as the Collegiate Learning Assessment (CLA) eventually will become standard because they work. It's economical to measure outcomes with such tests: they are effective and produce results that can be compared.

It is important to note, too, that standardization is already widely accepted. Indeed, colleges and universities are among the biggest proponents of standardized tests, from granting college credit for high AP exam scores to requiring ACT or SAT scores for undergraduate admission and GRE, LSAT, or GMAT scores for graduate school. And when students graduate, they take tests

to practice law or medicine or any one of a number of professions. Standardized testing isn't a bad thing, it just has to be effective and, ideally, designed by the academy to fit its needs.

Another constant criticism—one I still hear—concerns the tone of the report, which was strong and straightforward. Interestingly, this criticism started at the very beginning of the commission's work, perhaps because of my own background and history. The commission was advised by some of its members from the academy that if we didn't say things in a properly nuanced and genteel way, we would offend the academy and would get no support and nothing would happen. Yet an overwhelming number of commissioners wanted to use strong language in the report to be sure it would get people's attention. Because of the dangers of failing to address key issues in higher education, we felt an urgent need to write a strong report. The tone of the report was a continual issue throughout the commission's work. The fact is, though, when you talk about problems, some things have to be said negatively.

The report was also criticized for not focusing on such topics as community colleges, graduate education, research, and international competition. However, I believe that most of the commission's findings and recommendations are related to all of these areas. The report focused more on adult education, for example, than any previous report; adult education is the job of community colleges and, increasingly, the rest of the academy as well. The report also discussed financial aid, which affects the students who enroll in both community colleges and four-year colleges. But the commission intentionally avoided looking at higher education's segments separately and getting caught in its past or current structure. Instead, our aim was to talk about higher education as it should be in the future.

Threats to Higher Education

In a brief statement at the end of its report, the commission identified four key threats to the future of American higher education. The statement received little notice, largely because there was so much focus on criticisms of the report. Those threats include global competitive pressures, which are severe and growing at a seemingly exponential pace. Powerful technological developments in information and communications that have radically changed how information is delivered and how people learn also threaten the existing model, yet American higher education has not adapted to these potentially disruptive technological advancements.

Restraints on public finance threaten higher education as well. Nearly every government body in the United States—local, state, and federal—is operating in 10-year or long-term fiscal deficits. There isn't any marginal extra money. Even if the case could be made for receiving extra money, if the academy does

not change its current behavior and become more productive, the public will lash out against it. Or, similar to health care, public policy makers could enact changes without a national strategy, without informed input, and the outcome will not be good. We could find ourselves 20 years from now in the same situation as health care, spending twice as much money as today and still not having solved the problems we face.

The fourth and final threat the commission identified is the serious structural limitations of the academy. Much of how colleges and universities do business needs to be changed and fixed. That can be done—and must be done to meet the demands and opportunities of the future.

Conclusion

If the academy does not find ways to measure and assess its productivity and outcomes, that will be done for it. The evidence is clear, particularly because of financial pressures, that outside intervention is going to occur if higher education does not respond to the need to change. I think that some efforts to measure accountability have begun, and so I am optimistic.

The key areas the commission identified—access, affordability, accountability, and quality—were not new, but we did speak in strong language that needs to be heard and responded to, not just criticized. Much is at stake in this discussion, and the issues must be taken seriously. The most important step in my mind is to achieve full transparency because it would engender public trust. Full transparency would shed light on best practices, the full costs of education, and ways to measure productivity. It is the easiest way to achieve and maintain the autonomy institutions need to do their business effectively. If the academy cannot make its practices transparent, it will be subject to more intervention. Transparency is the key to autonomy.

In sum, we need to have a national dialogue about the future of higher education. We need full transparency, solid assessments of student learning, a completely new financial aid system, a better way to finance higher education, and reform of the accreditation system. We need to do all of this without help from Washington. And we need to get it done from the ground up: in the communities, in the academy, and in the states. That will be a true test of leadership.

Charles Miller served as chair of the Secretary of Education's Commission on the Future of Higher Education (aka the Spellings Commission). Previously, he served as chair of the Board of Regents of the University of Texas System from 2001 to 2004, after having been appointed to the board in 1999. From 1989 to 1994, he served as chair of the Texas Education Economic Policy Center, which designed the public school accountability system for Texas. Miller can be reached at cm494@aol.com.