This month the Secretary of Education Margaret Spelling’s Commission on the Future of Higher Education issued its final report, calling for systemic changes at the nation’s colleges and universities. Declaring “we must not be blind to the less inspiring realities of postsecondary education in our country,” the 19-member panel issued six primary recommendations:

- expand access and success by improving preparation and persistence, and by addressing non-academic barriers such as finance;
- restructure the financial aid system to provide incentives for the measurement of costs and institutional productivity;
- create a robust culture of accountability and transparency;
- embrace a culture of continuous innovation and quality improvement through the development of new pedagogies, curricula, and technologies;
- develop a national strategy for lifelong learning; and
- increase federal investment in areas critical to the nation’s global competitiveness.

The commission report makes clear that progress in these areas will require action from a wide range of stakeholders—K-12 and postsecondary leaders, state and federal policymakers, and accrediting agencies, to name a few. Less clear is who should lead in which areas, especially given the complex network of shared roles and responsibilities in areas such as student financial aid and institutional accountability. For public colleges and universities, the role of state policy in leveraging a reform agenda is particularly important, even though states are playing a smaller role in financially supporting their institutions of higher education.

Given that, what should governors, legislators, and system heads take away from the Spellings Commission report? A careful read of the document suggests that state policymakers should focus their
attention in four key policy areas: access, cost, innovation, and accountability.

**Observations**

**States need to continue and step up their efforts to smooth postsecondary transitions (high school to college, two-year to four-year).** Recent data underscore the point that the handoff between high school and college is slowly improving but still sorely lacking. *Measuring Up 2006*, the national higher education report card, indicates that a number of states have made strides on postsecondary preparation and participation. At the same time, the Education Commission of the States has found that fewer than half the states can claim partial or full alignment between high school graduation and college admissions requirements in core subject areas. Articulation and transfer within postsecondary education also remains a key sticking point, as an analysis by the National Center for Public Policy and Higher Education of selected high-growth states revealed that only half the states studied have effective and efficient processes in this area.

Improvement is also needed in the promotion of accelerated learning options such as Advanced Placement/International Baccalaureate courses and dual/concurrent enrollment programs. A new report by the Western Interstate Commission on Higher Education (WICHE) has found that while nearly all states offer some accelerated learning options, they are marginally funded and unequally distributed within many states. Through its analysis, WICHE concludes that states, working with local school districts, colleges and universities, and the federal government, need to develop a more intentional policy framework for these options to maximize their efficiency and effectiveness.

**States have a vital role to play in redefining transparency and accountability, specifically, the promotion of integrated PreK-16 data systems and comprehensive, comparable information on student learning outcomes.** Over the past decade, states have made significant advances in their capacity to generate data for decision-making. A 2003 study from the Lumina Foundation for Education found that 39 states currently have some form of a student-level unit record data system for their postsecondary institutions, with more than 10 having these systems established since 1993. Though this trend is encouraging, most states are still unable to answer basic policy questions about their educational pipeline because PreK-12 and postsecondary education data systems operate in isolation, and/or lack the data needed to effectively gauge student progression and performance. According to a 2005 survey by the Data Quality Campaign, only about half the states (27) have at least five of the 10 elements necessary for an integrated, longitudinal education data system.

Measuring and communicating student learning outcomes also stands as an issue that most states have yet to address. *Measuring Up 2000* revealed that only a handful of states conducted assessments of college student learning that are comparable across institutions, a picture that has changed little over the last six years. Progress has been made through research and experimentation of different assessment approaches and instruments demonstrated by the National Forum on College-Level Learning and the Collegiate Learning Assessment (CLA). Additionally, AASCU has called for the development of a value-added approach to learning assessment, gauging what difference college makes in student learning based on three measures: direct (student examinations), indirect (faculty/student surveys), and applied (alumni/employer surveys).

**States must increase their investment in need-based student aid and provide incentives for institutions to more aggressively manage costs.** Trends in cost, price, and student aid signal the need for policy course corrections. Data from the College Board reveal that between 1995 and 2005, tuition at public four-year institutions increased 51 percent (adjusted for inflation). This growth occurred due to reduced state support for higher education in conjunction with rising operational costs at colleges. According to the Commonfund Institute, annual increases to the Higher Education Price Index (HEPI) have been on the rise in recent years. Over time, annual HEPI changes have followed a similar pattern as the Consumer Price Index (CPI), shown in Figure 1, Since the mid 1990’s, HEPI
has steadily grown at rates greater than CPI and 2006 saw the sharpest single-year HEPI increase in many years. One key driver of these increases is the rising cost of utilities, which grew by 27 percent between 2005 and 2006.

While the cost of higher education steadily increases, state support for need-based aid has not kept up. In 1995, non-need-based grants accounted for 14 percent of total state grant aid to undergraduates, but ten years later they accounted for 27 percent of all state aid to undergraduates. Low-income students are being priced out of higher education and when states shift resources away from need-based aid, low-income students are at risk of being left behind. Federal investment in need-based aid also has failed to keep pace with rising costs and need. In 1985, the maximum Pell Grant covered nearly 60 percent of tuition and fees at public four-year colleges, but today it covers less than 40 percent.

To address the cost of college, the Commission calls for states and institutions:

• to significantly increase need-based student aid;

• to develop innovative cost control measures such as keeping tuition growth rates at or below median family income growth rates and reducing barriers for transfer students; and

• to provide incentives to institutions that meet benchmarks promoting access, affordability, and productivity.

Additionally, states and systems should review and revise their finance mechanisms and regulatory infrastructures to encourage identification of efficiencies and priorities for reinvesting them. An example of this can be found in the University System of Maryland's Effectiveness and Efficiency (E&E) Initiative.

**States and institutions must invest in innovative teaching and learning strategies that enhance student success.** One underlying theme of the Spellings Commission report is that higher education is reluctant to change. In order to maintain a higher education system that is accessible, competitive, and efficient, institutions cannot maintain the status quo, but instead must embrace a culture of change. Such change will require developing “new pedagogies, curricula and technologies” to improve the quality of teaching and learning.

Promising innovations in this area are already being tested. The National Center for Academic Transformation (NCAT) conducts research on how to utilize technology inside the classroom to improve teaching and learning. In a recent study, NCAT found
that institutions using innovative technology (i.e. online tutorials, continuous assessment and feedback, and on-demand support) saw improvements in student learning outcomes, greater cost savings, and increased retention or completion rates. These and other innovative strategies should be explored and adapted at campuses nationwide, especially for large introductory courses that are shared across institutions.

The Commission recommends that states provide financial incentives to institutions that use such strategies to increase graduation rates, increase productivity, and increase access. States and institutions should invest in distance education and course redesign projects that use technology-based, learner-centered principles.

**Conclusion**

The Spellings Commission report is an opportunity for federal, state, and campus or system leaders to substantively engage issues that directly affect American higher education’s competitiveness moving forward. Recent data underscore the need for urgency, as the U.S. continues to slip among industrialized nations in college completion. States and their colleges and universities cannot afford to ignore this report and should consider carefully how to incorporate its findings into their policy agendas.

**Resources**

**AASCU.** Through its Perspectives white paper series, AASCU has examined various approaches to gauging student learning and proposes a comprehensive model for value-added learning assessment.

[aascu.org/pdf/06_perspectives.pdf](http://aascu.org/pdf/06_perspectives.pdf)

**Data Quality Campaign.** The Campaign is a national, collaborative effort to encourage and support state policymakers to improve the collection, availability, and use of high-quality education data, and implement state longitudinal data systems to improve student achievement.

The campaign aims to provide tools and resources that will assist states in their development of quality longitudinal data systems, while also providing a national forum for reducing duplication of effort and promoting greater coordination and consensus among the organizations focusing on improving data quality, access, and use.

[datqualitycampaign.org](http://datqualitycampaign.org)

**National Center for Academic Transformation (NCAT).**

NCAT is an independent nonprofit organization dedicated to the effective use of information technology to improve student learning outcomes and reduce the cost of higher education. NCAT provides expertise and support to institutions and organizations seeking proven methods for providing more students with the education they need to prosper in today’s economy.

[center.rpi.edu](http://center.rpi.edu)

**National Center for Public Policy and Higher Education.**

*Through Measuring Up*, the national report card on higher education, the Center promotes public policies that enhance Americans’ opportunities to pursue and achieve high-quality education and training beyond high school. As an independent, nonprofit, nonpartisan organization, the National Center prepares action-oriented analyses of pressing policy issues facing the states and the nation regarding opportunity and achievement in higher education—including two- and four-year, public and private, for-profit and nonprofit institutions.

[highereducation.org](http://highereducation.org)

**Secretary of Education’s Commission on the Future of Higher Education.**

The Commission, a 19-member panel chaired by Charles Miller of Texas, issued its final report to the nation on September 26. The panel issued recommendations dealing with access, transparency and accountability, lifelong learning, and competitiveness and innovation.

[ed.gov/about/bdscomm/list/hiedfuture/index.html](http://ed.gov/about/bdscomm/list/hiedfuture/index.html)

**Western Interstate Commission on Higher Education (WICHE).** WICHE is a regional organization created by the Western Regional Education Compact, adopted in the 1950s by Western states. WICHE is an interstate compact created by formal legislative action of the states and the U.S. Congress. Fifteen states are members of WICHE. WICHE’s Policy Analysis and Research unit focuses on a number of key issues related to student access and success, including accelerated learning.

[wiche.edu/policy](http://wiche.edu/policy)

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