



U.S. DEPARTMENT OF EDUCATION



Action Plan for Higher Education: Improving Accessibility, Affordability and Accountability

September 26, 2006

"Over the years, we've invested tens of billions of dollars in taxpayer money and just hoped for the best. We deserve better."

-- U.S. Secretary of Education Margaret Spellings

A college diploma has become increasingly essential to achieving the American Dream. One year ago, Secretary Spellings formed the bipartisan Commission on the Future of Higher Education to launch a robust national dialogue on the need to strengthen higher education to remain competitive in the 21st century. **The Commission's Sept. 19, 2006 final report—A Test of Leadership: Charting the Future of Higher Education**—found that "U.S. higher education needs to improve in dramatic ways," changing from "a system primarily based on reputation to one based on performance."

Today, Secretary Spellings announces an **Action Plan** designed to improve higher education's performance and our ability to measure that performance. The proposals will make higher education more accessible, affordable and accountable to students, parents, business leaders and taxpayers.

Accessibility

"There are far too many Americans who want to go to college but cannot—because they're either not prepared or cannot afford it." – Secretary Spellings

To expand access to higher education we must better educate and prepare our students, beginning with high standards and accountability in our public schools.

The Secretary's proposal:

- Strengthen K-12 preparation and align high school standards with college expectations.
- Work with Congress to expand the successful principles of the *No Child Left Behind Act* to high schools.
- Redesign the 12th-grade NAEP (Nation's Report Card) test to provide state-level estimates of college and workforce readiness.
- Raise awareness and mobilize leadership to address the issue of adult literacy as a barrier to national competitiveness and individual opportunity.
- Develop a federal research agenda for adult literacy to identify strategies, models and programs that work.

Facts and Findings:

"Access to American higher education is unduly limited by...inadequate preparation, lack of information about college opportunities, and persistent financial barriers." – Commission on the Future of Higher Education

- While about 34 percent of white adults have obtained bachelor's degrees by age 25-29, the same was true for just 18 percent of African American adults and 10 percent of Hispanic adults in the same age cohort.
- Forty percent of college students will take at least one remedial education course, at a cost of over \$1 billion yearly.
- Over 60 percent of the U.S. population between the ages of 25-64 has no postsecondary education credential (source: U.S. Census Bureau, 2004).

Affordability

"There is little to no information on why costs are so high and what we're getting in return." – Secretary Spellings

Tuition continues to outpace inflation, health care costs and family income levels. While funding for Pell Grants has increased nearly 50 percent over the past five years, the financial aid system remains in urgent need of reform. We must streamline the process to help students and families prepare, plan and pay for college.

The Secretary's proposal:

- **Simplify the process by partnering with states to use existing income and tax data to help students complete the Free Application for Federal Student Aid (FAFSA) in half the time.**
- **Notify students of their estimated aid eligibility before spring of their senior year in high school.**
- **Work with Congress to provide new funds for need-based aid through the federal financial aid system.**
- **Commission an independent management consultant review of the federal financial aid system.**
- **Revitalize the Fund for the Improvement of Postsecondary Education (FIPSE) to promote innovation and productivity.**
- **Encourage organizations that report annual college data to develop consistent affordability measures.**

Facts and Findings:

"Too many students are either discouraged from attending college by rising costs, or take on worrisome debt burdens in order to do so." – Commission on the Future of Higher Education

- From 1995 to 2005, average tuition and fees at public four-year colleges and universities rose 51 percent after adjusting for inflation (for private schools, the increase was 36 percent).
- Median debt levels among students who graduated from four-year colleges and universities were \$15,500 for public and \$19,400 for private institutions.
- State funding growth for higher education has fallen to its lowest level in over two decades.

Accountability

"No current ranking system of colleges and universities directly measures the most critical point—student performance and learning." – Secretary Spellings

In the Information Age, it is essential that clear, comprehensive and comparative data about colleges and universities be collected and made available to students, parents, and policymakers.

The Secretary's proposal:

- **Work with a consortium of states to build on and link together the 40 existing, privacy-protected higher education information systems.**
- **Explore incentives for states and institutions that collect and report student learning outcome data.**
- **Convene members of the accreditation community to recommend changes to the standards for recognition that will place a greater emphasis on results.**
- **Redesign the Department of Education's college search website to allow consumers to weigh and compare institutions based on their individual interests and needs.**

Facts and Findings:

"Because data systems are so limited and inadequate, it is hard for policymakers to obtain reliable information on students' progress through the educational pipeline." – Commission on the Future of Higher Education

- The U.S. college attainment rate has fallen to 12th among major industrialized countries (source: Organization for Economic Cooperation and Development).
- Total per-student expenditures for higher education averaged over \$22,000 annually in 2001, almost twice the average of other major industrialized countries.
- The percentage of college graduates deemed proficient in prose literacy (able to read and extrapolate from a complex text) has declined from 40 to 31 percent in the past decade (source: National Assessment of Adult Literacy).