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Visioning a More Equitable Higher Education System in the United States: A Dialogue about Historical Trends and Proposals for HEA Reauthorization
SFARN: June 8 & 9 2016

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http://www.pellinstitute.org/publications-Indicators_of_Higher_Education_Equity_in_the_United_States_2016_Historical_Trend_Report.shtml

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Agenda for Session

1. Overview of Equity *Indicators Project*
2. Interactive discussion of dialogue questions

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Purposes of Indicators Project

- Report on progress and provide tool for monitoring progress
- Identify policies and practices needed to improve equity
- Engage multiple stakeholders in shared dialogue

Shared-Solutions: 2016 Essays

- *Reducing the Stratification of College "Choice"*

  By Laura Perna and Roman Ruiz

- *Eight Proposals to Help Inform Reauthorization of the Higher Education Act with a Focus on Financial Aid*

  By Tom Mortenson

- *Is Higher Education a Human Right or a Competitive Investment Commodity?*

  By Margaret Cahalan, Khadish Franklin, and Mika Yamashita

The Equity Indicators

1. **Who enrolls in postsecondary education?**
2. **What type of institution do students attend?**
3. **Does financial aid eliminate financial barriers?**
4. **How do students pay for college?**
5. **Does bachelor's degree attainment vary by family characteristics?**
6. **How do attainment rates in U.S. compare with other nations?**

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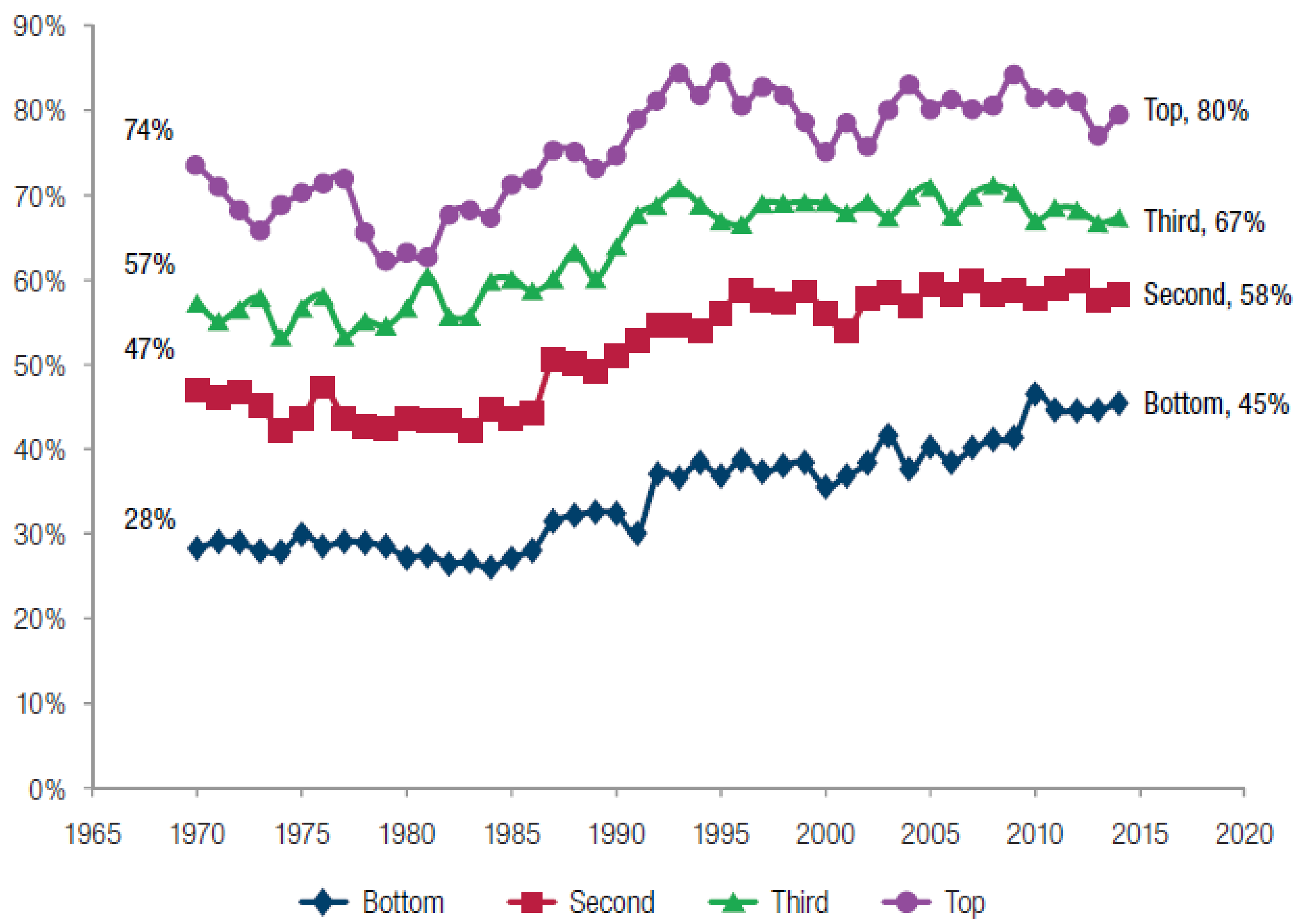
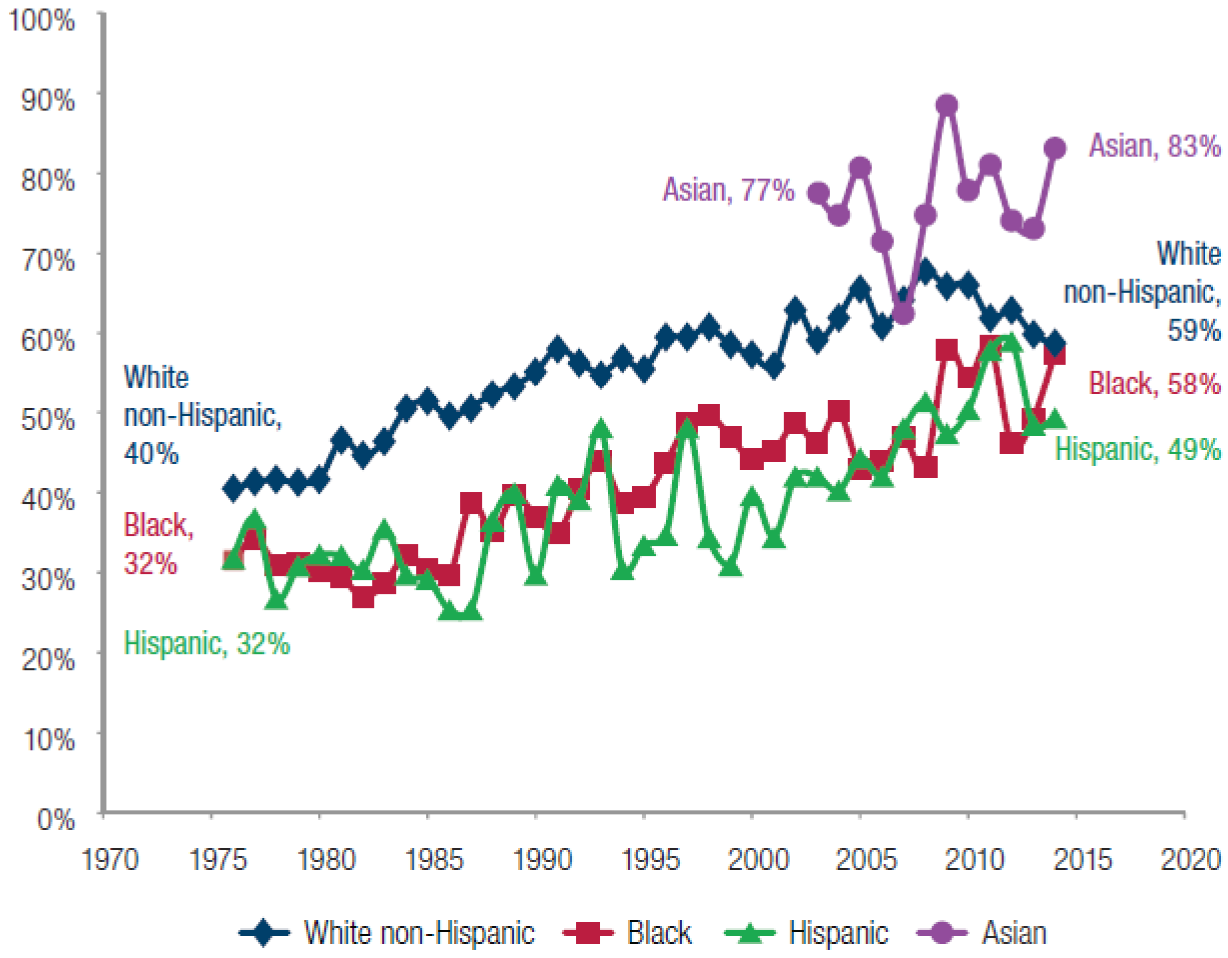
Equity Indicator 1a: Cohort College Continuation Rates by family income quartile for recent school leavers: 1970 to 2014



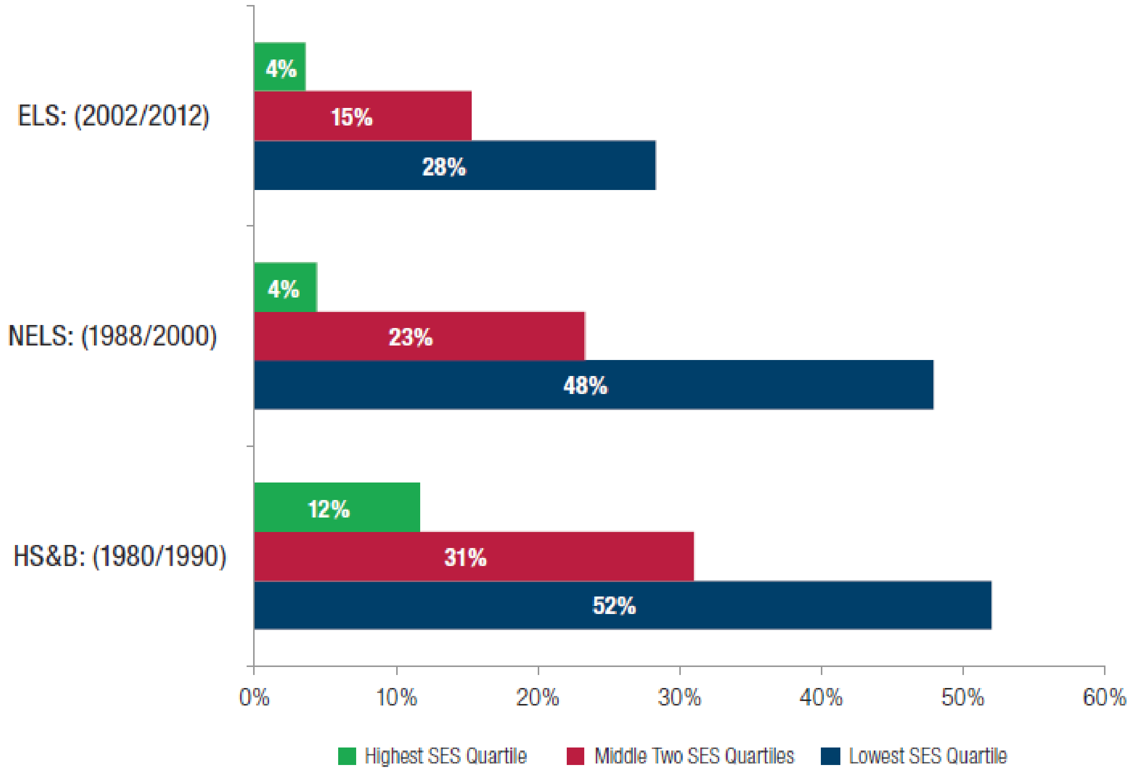
SOURCE: U.S. Census Bureau; School Enrollment Data, 1970-2014, compiled by Tom Mortenson. For recent releases, see http://stats.bls.gov/news.release/pdf/hsgec.pdf.

Equity Indicator 1c: Cohort College Continuation Rates of recent high school leavers by race/ethnicity: 1976 to 2014



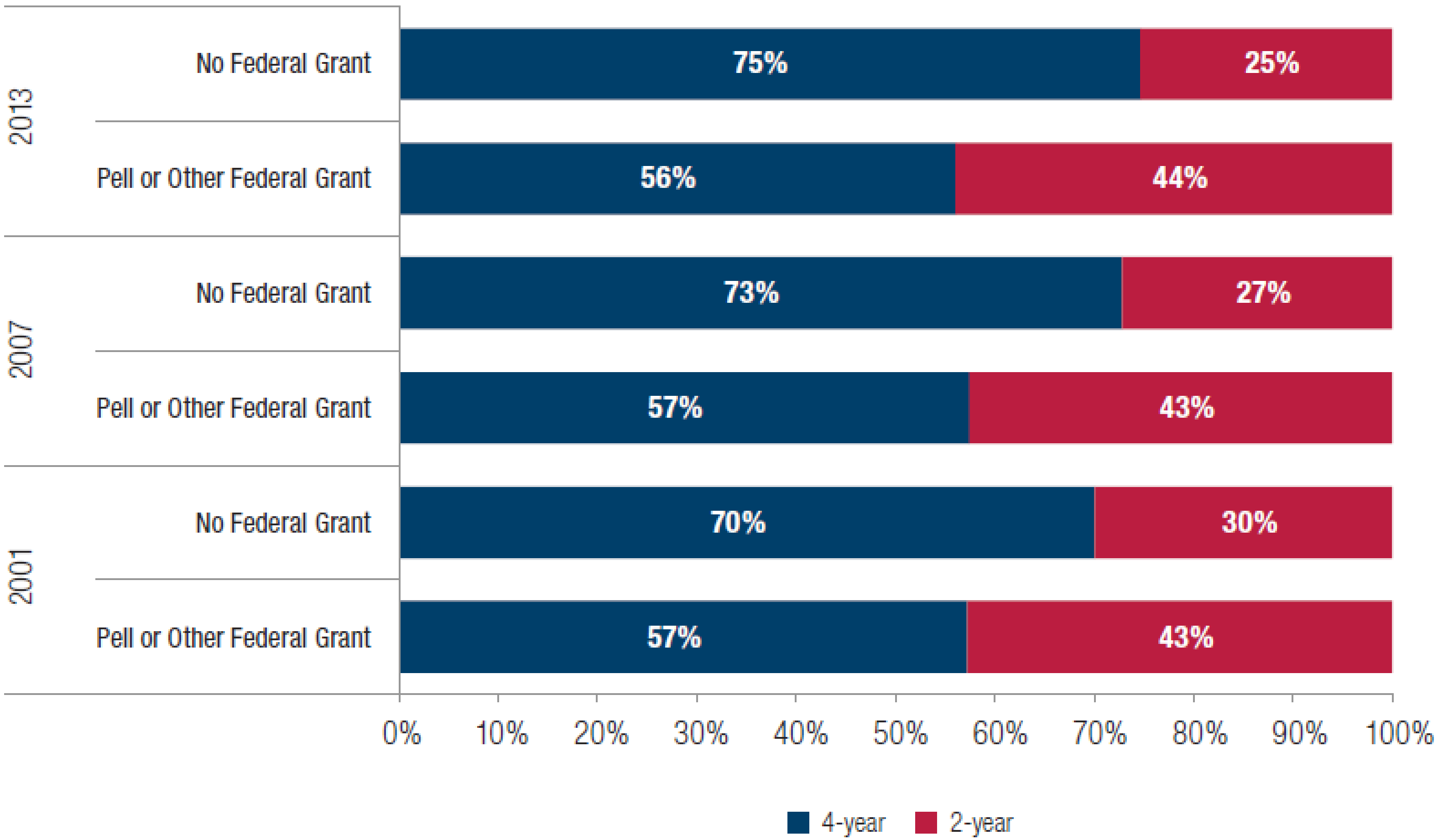
SOURCE: Bureau of Labor Statistics (BLS) and U.S. Census Bureau, 1976-2014, as adapted by Tom Mortenson,

Equity Indicator 1f: Percentage of young adults who reported no postsecondary enrollment within 8 or 10 years of expected high school graduation by parents' socioeconomic status (SES): high school longitudinal studies (HS&B:1980/1992; NELS:88/2000; ELS:2002/2012)



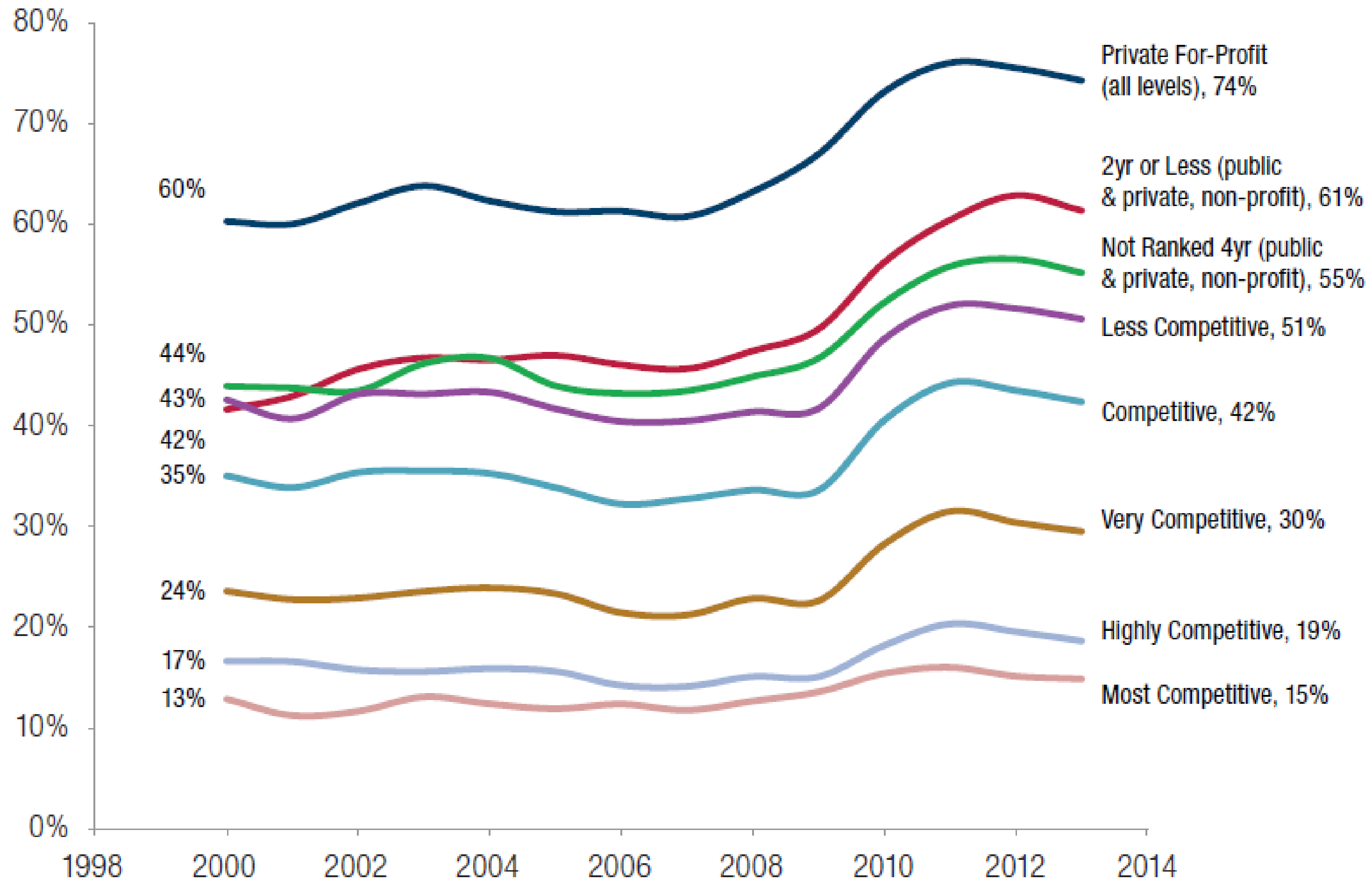
SOURCE: Lauff, E. and Ingels, S.J. (2014). A *First Look at 2002 High School Sophomores 10 Years Later*, Education Longitudinal Study of 2002 (ELS:2002), U.S. Department Of Education, NCES 2014-363; Ingels, S.J., Kaufman, P., Curtin, T.R., Alt, M.N. & Chen, X. (2002). *Initial Results From the Fourth Follow-up to the National Education Longitudinal Study of 1988 Coming of Age in the 1990s: The Eighth Grade Class of 1988 12 Years Later.* Research Triangle Institute, Statistical Analysis Report, U.S. Department of Education, Office of Educational Research and Improvement, NCES 2002—321; Tuma, J. and Geis, S. (1995). *High School and Beyond 1992 Descriptive Summary of 1980 High School Sophomores 12 Years Later With an Essay on Educational Attainment of 1980 High School Sophomores: by 1992*, National Center for Education Statistics, Statistical Analysis Report.

Equity Indicator 2a: Distribution of full-time, first-time degree-seeking undergraduate students who did and did not receive Federal Grants (Pell or other Federal Grants) by level of institutions attended: 2001, 2007, 2013



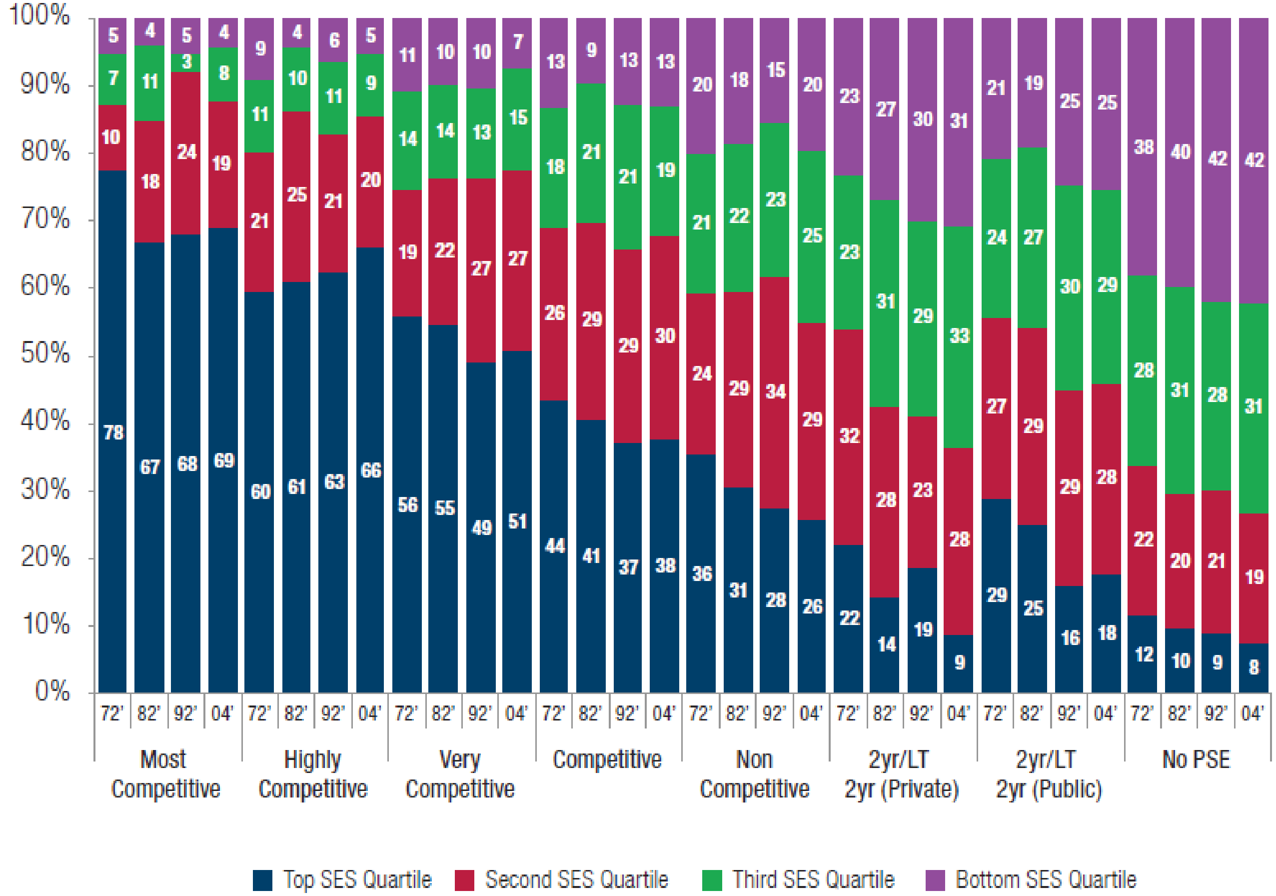
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), *Digest of Education Statistics, 2015*. Table 331.20.

Equity Indicator 2e: Percent of full-time, first-time degree/certificate seeking undergraduate students receiving Pell or other Federal Grants by institutional selectivity: 2000 to 2013



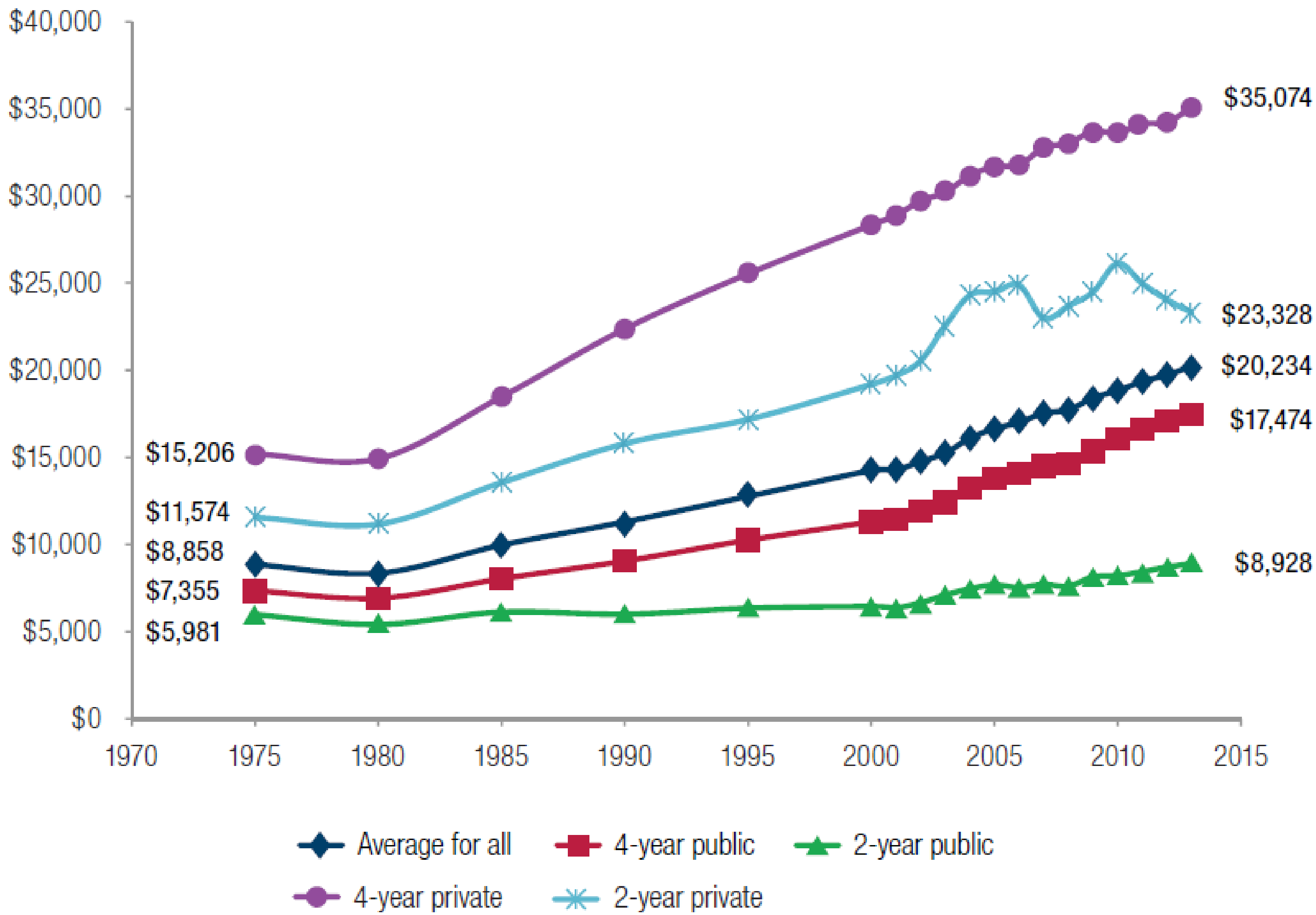
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2015, and Barron's Admissions Competitiveness Index, 2004.

Equity Indicator 2d: Family socioeconomic status (SES) representation in each selectivity category of institutional destinations for high school class cohorts: 1972, 1982, 1992, 2004



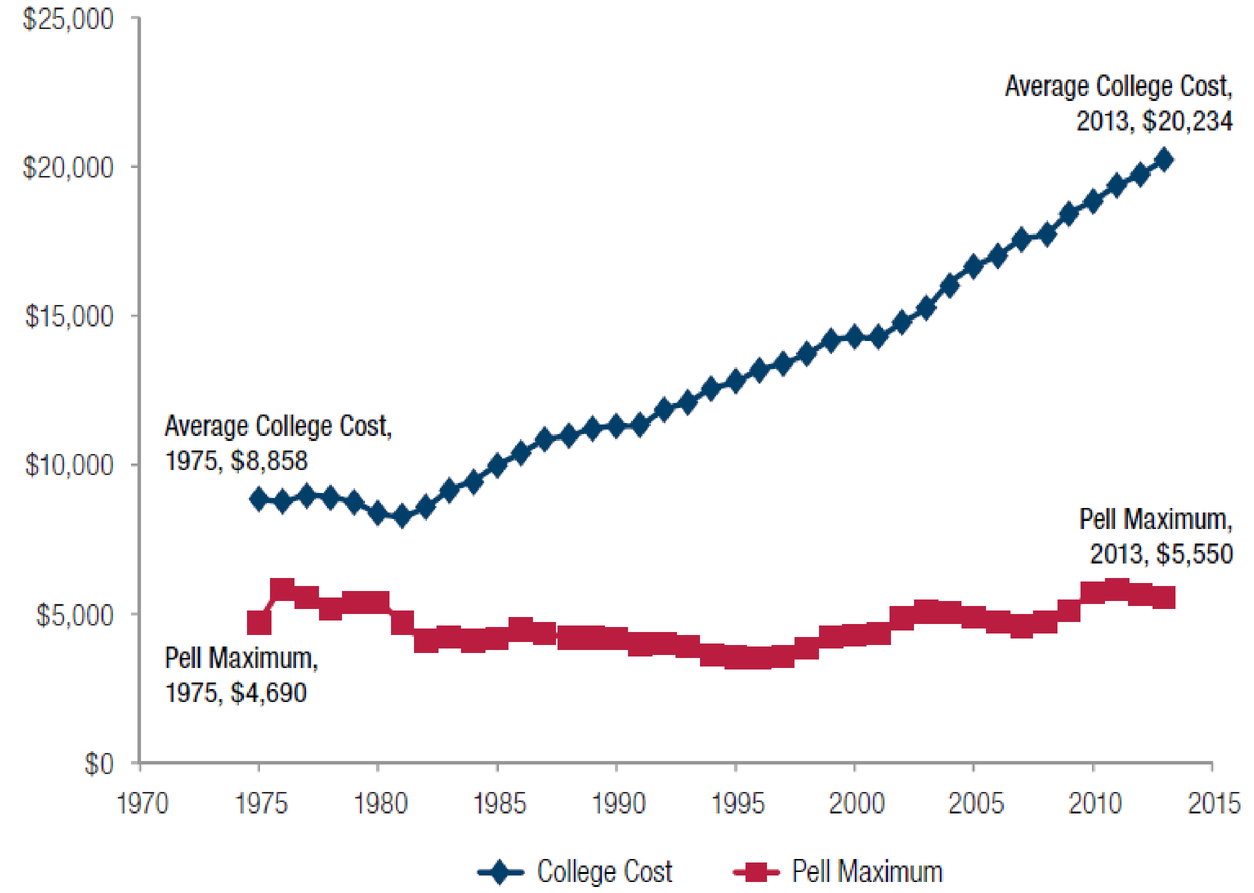
SOURCE: U.S. Department of Education, NCES, NLS; HS&B, NELS, and ELS; Adapted from Bastedo, M. N., & Jaquette, O. (2011). Appendix Table 6 of "Running in place: Low-income students and the dynamics of higher education stratification." *Educational Evaluation and Policy Analysis*, 33(3), 318-339. Retrieved from http://www-personal.umich.edu/~bastedo/papers/EEPA-Appendix.pdf.

Equity Indicator 3a: Average undergraduate tuition and fees, and room and board rates charged for full-time students in degree-granting postsecondary institutions by level and control: 1974-75 to 2012-13 (in constant 2012 dollars)



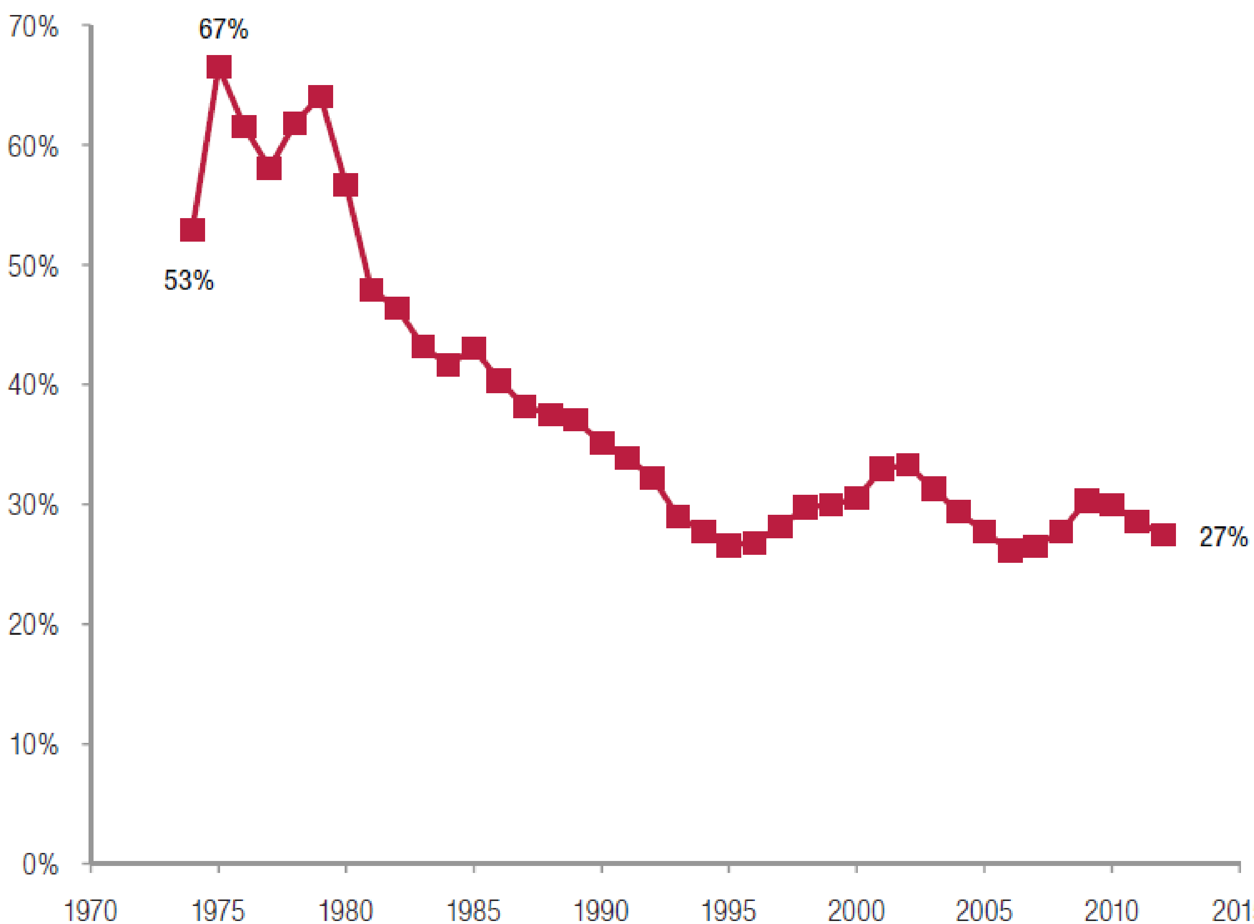
SOURCE: U.S. Department of Education, National Center for Education Statistics (2014). *Digest of Education Statistics, 2013*, Table 330.10 (NCES 2014-015), https://nces.ed.gov/programs/digest/d13/tables/dt13_330.10.asp.

Equity Indicator 3b (i): Average undergraduate full-time college cost and maximum Pell Grant award (in 2012 constant dollars): 1974-75 to 2012-13



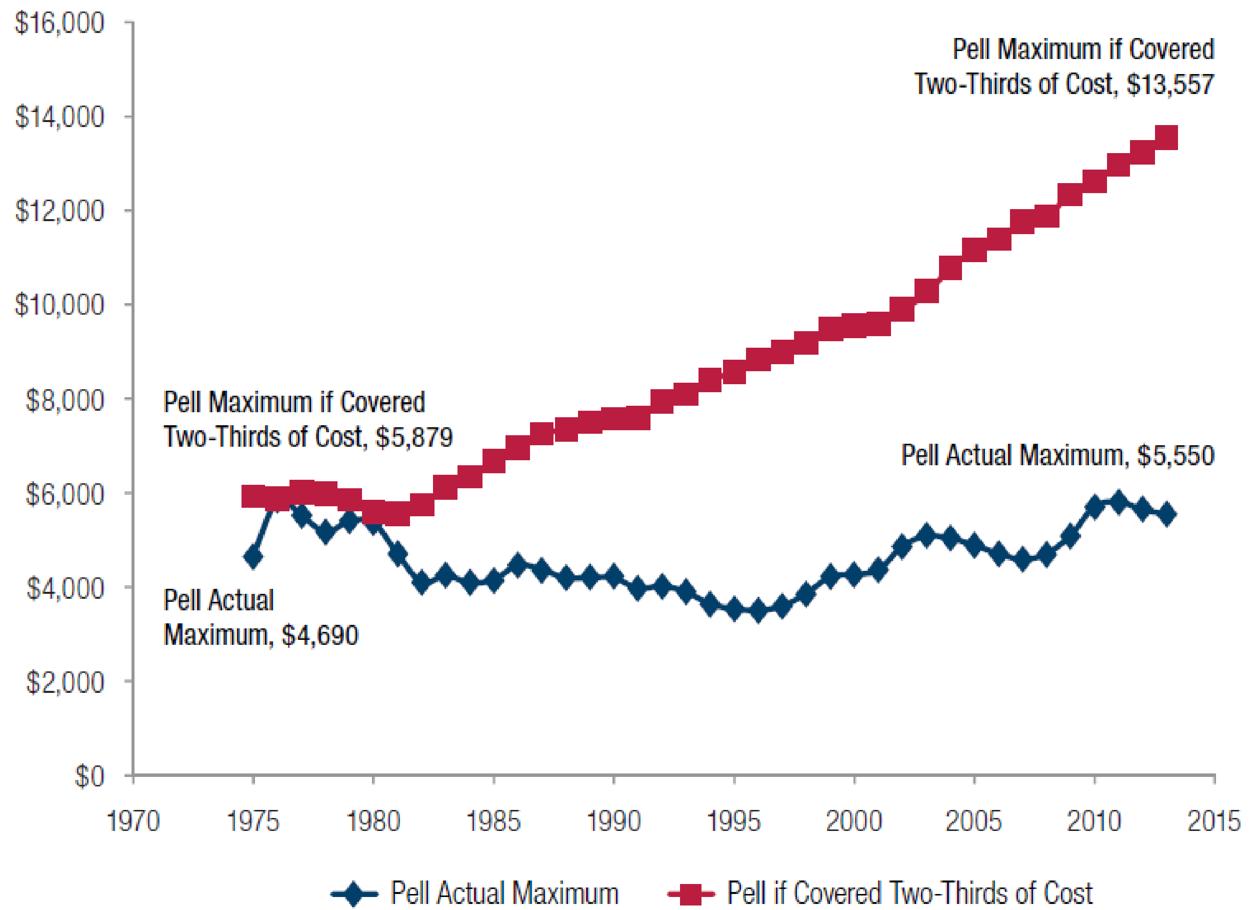
SOURCE: U.S. Department of Education. (2013). Summary Pell Grant Statistics for Cross-Year Comparison, *Pell End of Year Report*, Table 1. Washington, DC: National Center for Education Statistics (2015). *Digest of Education Statistics, 2013* (NCES 2015-001), Table 330.10.

Equity Indicator 3b (ii): Percent of average college cost covered by maximum Pell Grant: 1974-75 to 2012-13



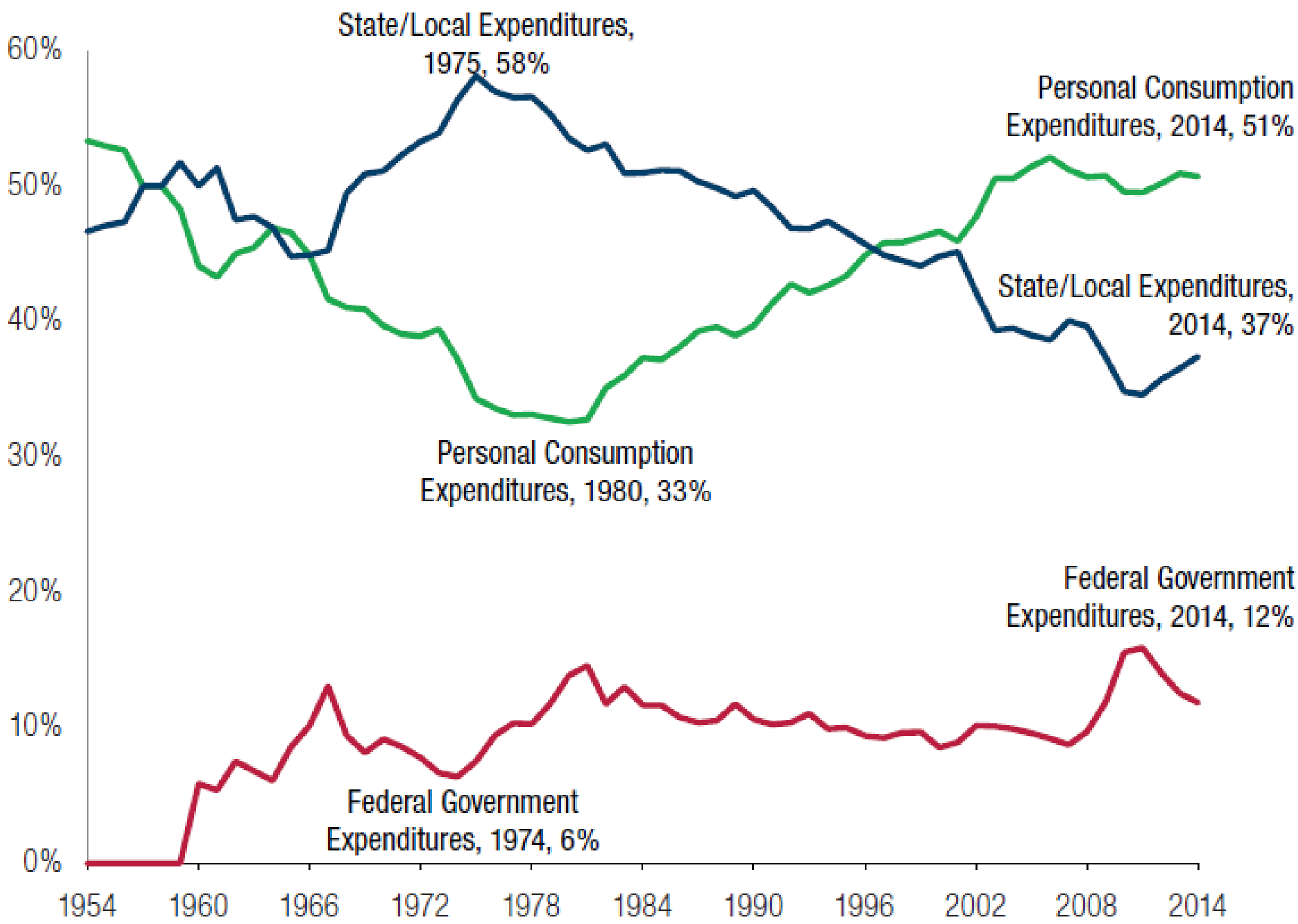
SOURCE: U.S. Department of Education. (2013). Summary Pell Grant Statistics for Cross-Year Comparison, *Pell End of Year Report, 2013*, Table 1; National Center for Education Statistics (2015). *Digest of Education Statistics, 2013* (NCES 2015-001), Table 330.10.

Equity Indicator 3b (iii): Maximum Pell Grant if the Pell maximum covered two-thirds of Average Cost of Attendance (COA): 1974-75 to 2012-13 (in constant 2012 dollars)



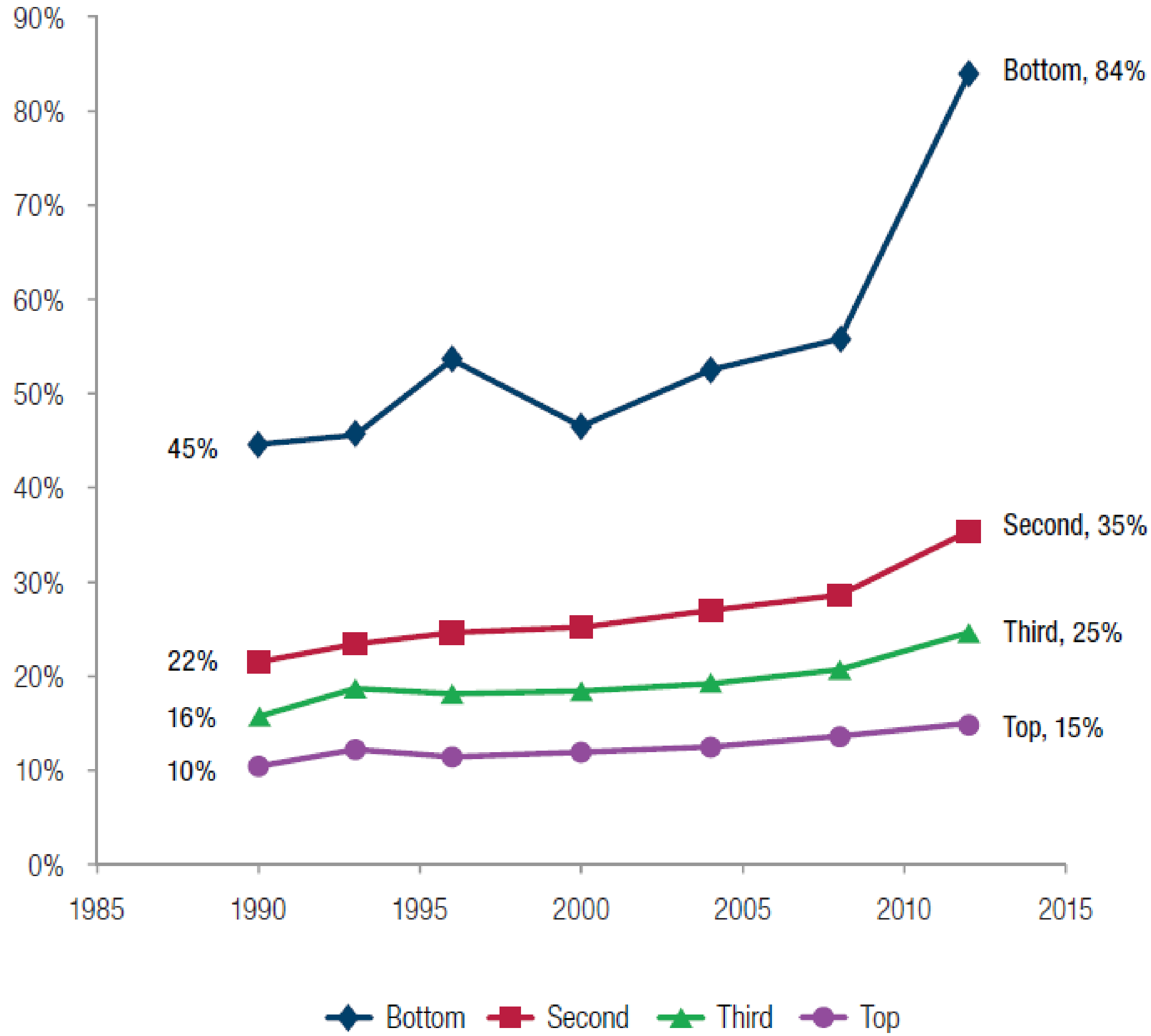
SOURCE: Tabulated from U.S. Department of Education, "Summary Pell Grant Statistics for Cross-Year Comparison," *Pell End of Year Report, 2013-14*, Table 1; National Center for Education Statistics (2015). *Digest of Education Statistics, 2013* (NCES 2015-001), Table 330.10.

Equity Indicator 4a: Distribution of higher education funding responsibilities: 1954 to 2014



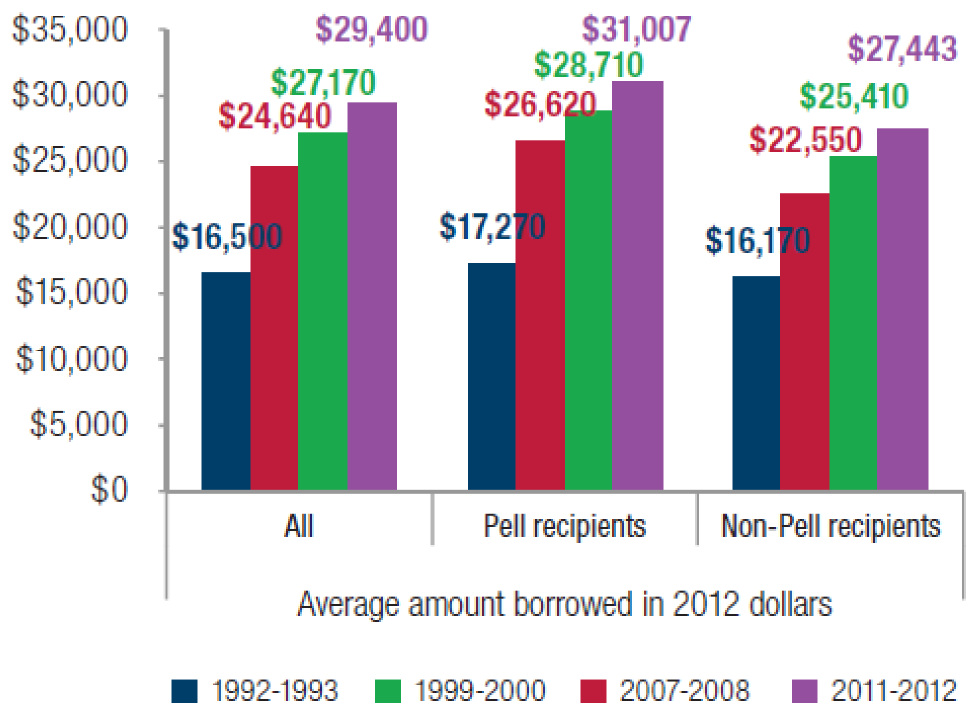
SOURCE: U.S. Department of Commerce. Bureau of Economic Analysis. (2015). National Income and Product Accounts (NIPA). *Higher Education's Share of Gross Domestic Product and Distribution of Higher Education Funding Responsibilities: 1952 to 2014.* http://bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=1&isuri=1.

Equity Indicator 4b (ii): Average Net Price as a percent of average family income by income quartile: 1990 to 2012



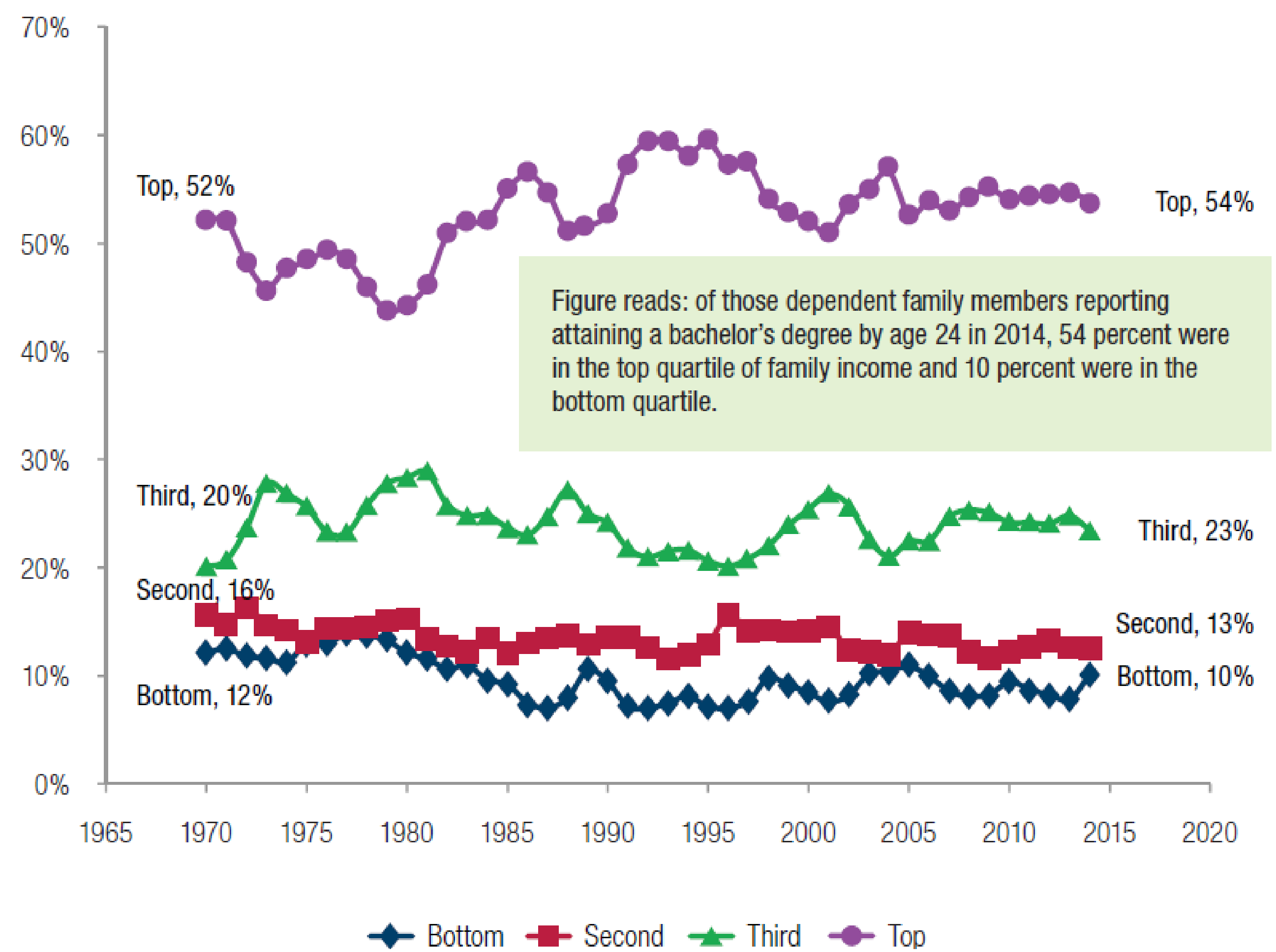
SOURCE: U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 1990, 1993, 1996, 2000, 2004, 2008, 2012. Mortenson, T. (2014, May). Financial Barriers to Higher Education by Parental Income and Institutional Level/Control, 1990 to 2012. *Postsecondary Educational Opportunity, 263*.

Indicator 4c. Average amount borrowed by graduating bachelor's degree recipients, by Pell receipt status: 1993, 2000, 2008, 2012



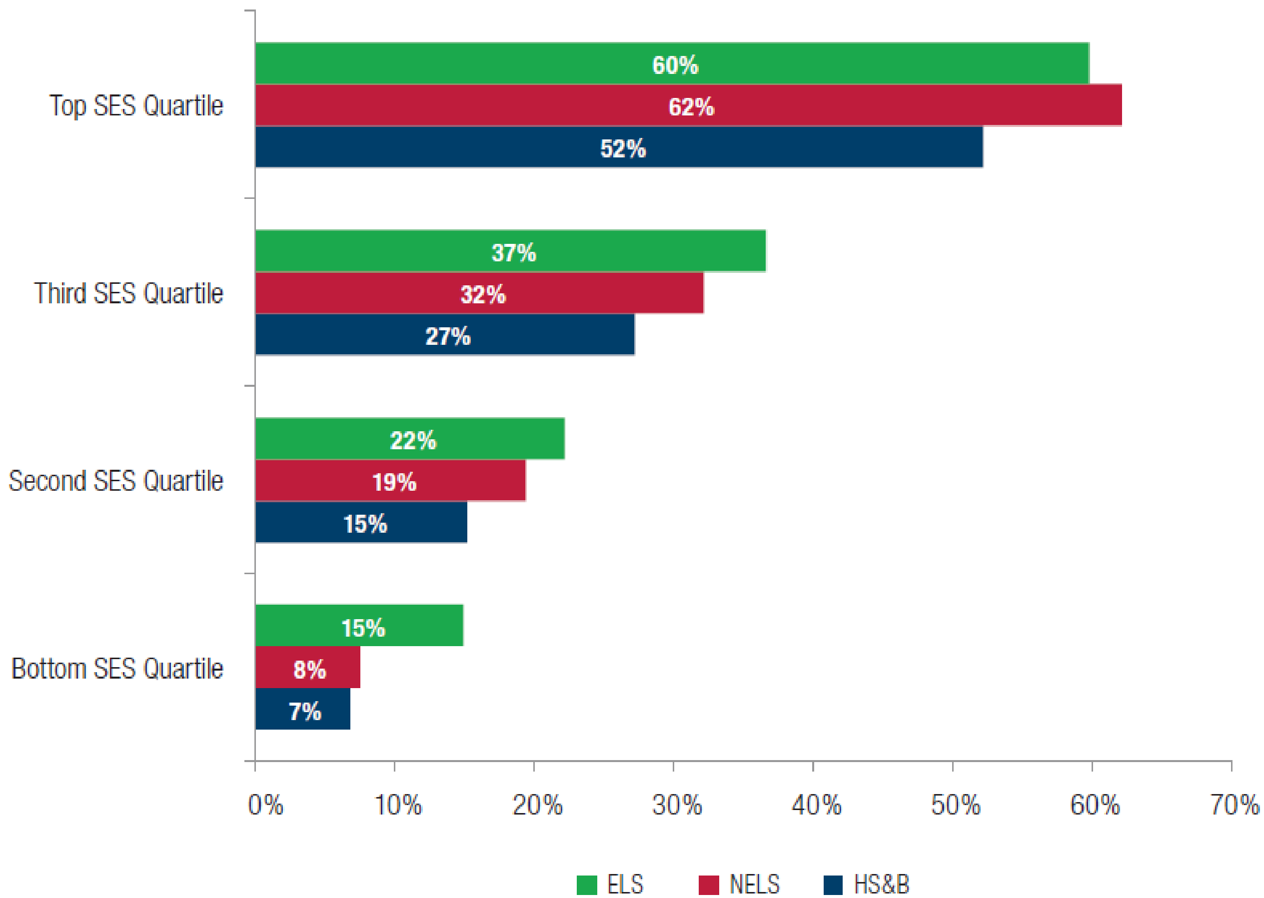
SOURCE: U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 1990, 1993, 1996, 2000, 2004, 2008, 2012. Mortenson T. 2014, "Financial Barriers to Higher Education by Parental Income and Institutional Level/Control," 1990 to 2012, no. 263, Postsecondary Education Opportunity, Pell Institute for the Study of Opportunity in Higher Education, Washington, DC.

Equity Indicator 5a: Distribution by family income quartile of dependent family members age 18 to 24 who attained a bachelor's degree by age 24: 1970 to 2014



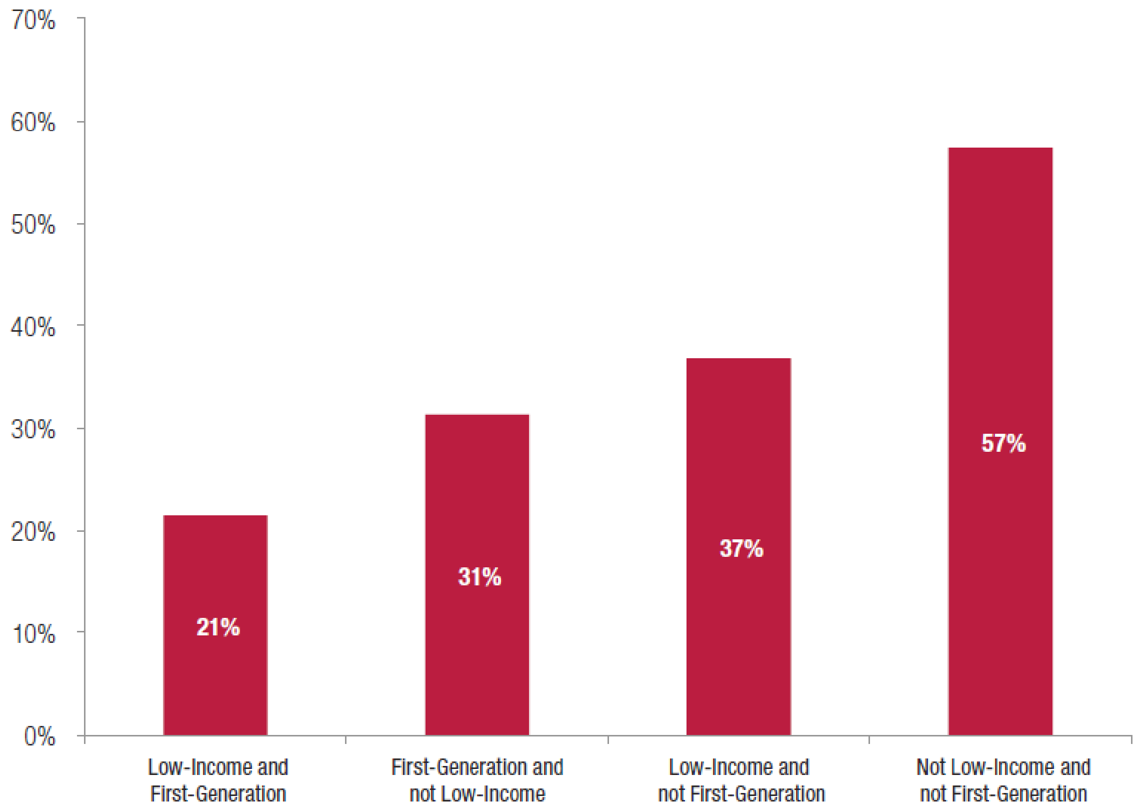
SOURCE: U.S. Census Bureau, Current Population Survey, October Education Supplement. Data from 1970 to 1986 consider unmarried 18- to 24-year-olds, and data from 1987 to 2013 are based on dependent 18- to 24-year-olds, Table 14 in Census Bureau P20 report on School Enrollment. After 2006, the Census Bureau no longer published Table 14. Data tabulated using Census table production tool (2006-2014). Mortenson, T. (2014, September). Unequal Family Income and Unequal Higher Education Opportunity, 1970 to 2013, *Postsecondary Educational Opportunity, 267.*

Indicator 5b: Percent of youth attaining a bachelor's degree or higher within 8 or 10 years of expected high school graduation by socioeconomic status (SES) quartile: HS&B 1980 tenth graders, NELS 1988 eighth graders, and ELS 2002 tenth graders



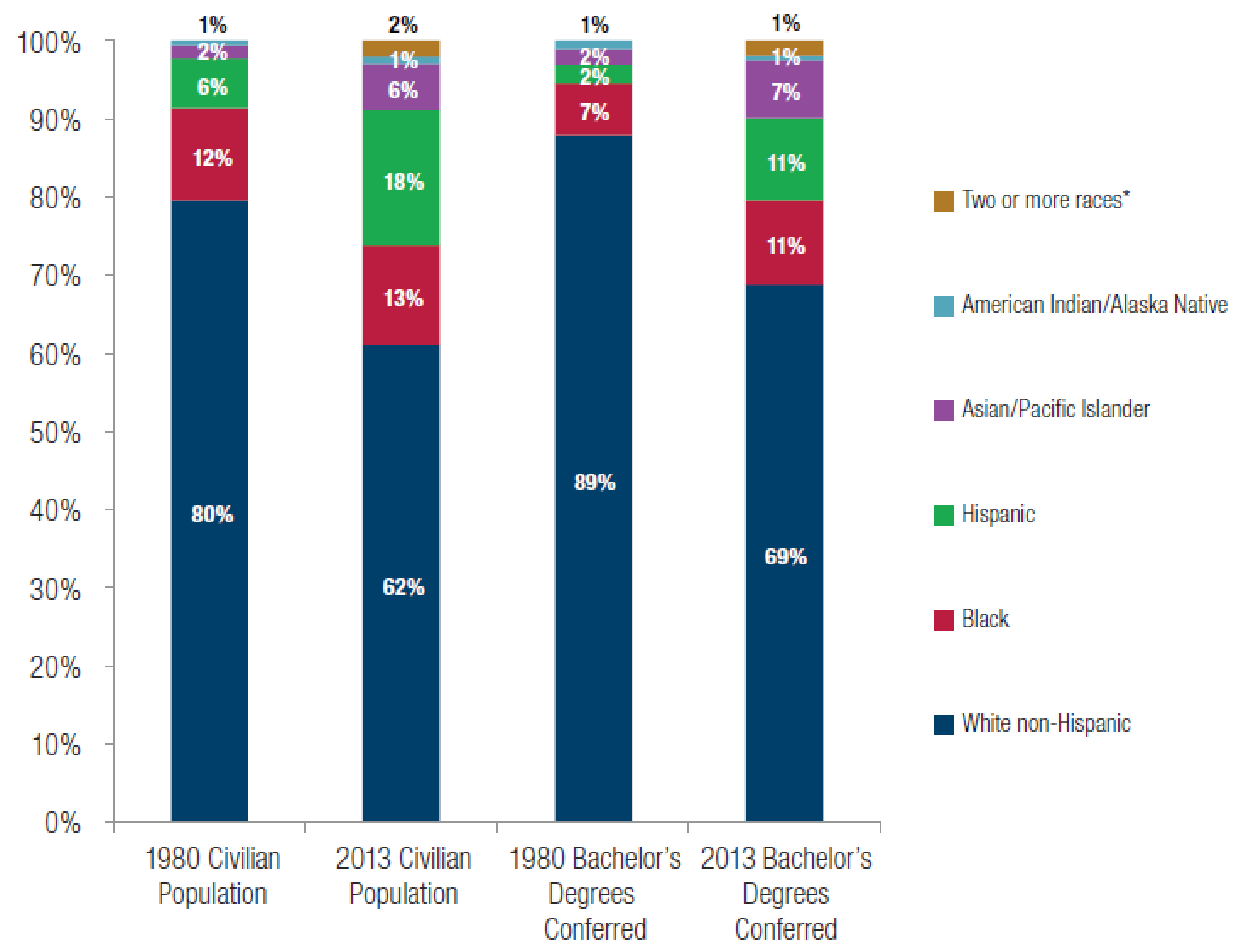
SOURCE: U.S. Department of Education, National Center for Education Statistics, High School and Beyond (HS&B:1980-class of 1982-1992 follow-up), National Education Longitudinal Study, (NELS:1988-class of 1992-2000 follow-up), and Educational Longitudinal Study (ELS:2002-class of 2004-2012 follow-up). Data tabulated using NCES Data Analysis System (DAS).

Equity Indicator 5c (ii): Percent of dependent students who first enrolled in a postsecondary education institution in academic year 2003-04 who obtained a bachelor's degree or higher by 2009 (within 6 years), by TRIO eligibility criteria



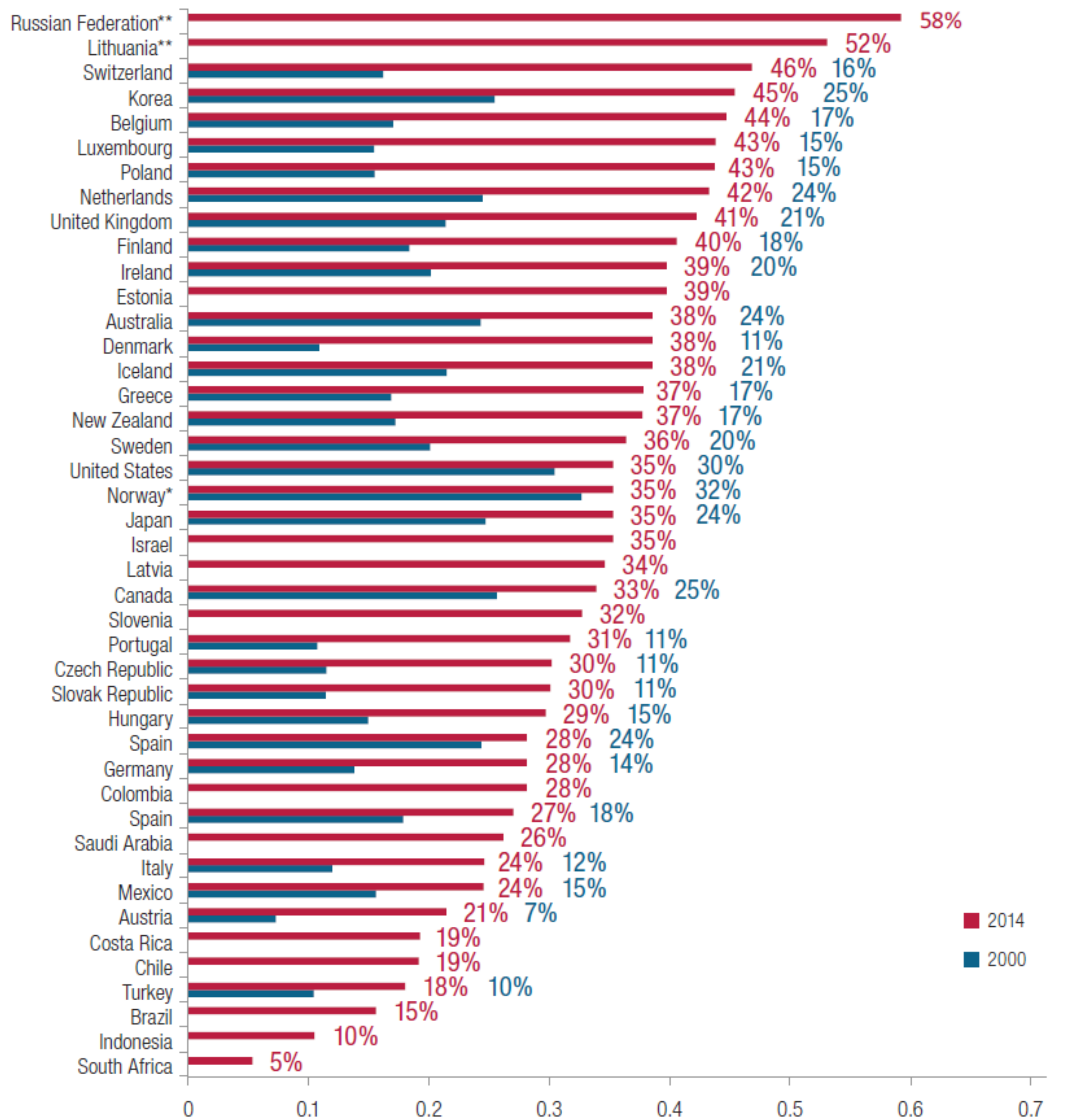
SOURCE: U.S. Department of Education, National Center for Education Statistics, Beginning Postsecondary Studies (BPS) Longitudinal Surveys (BPS:89-90/1996; BPS:96/2001; BPS:2003-2004/2009). Data tabulated using NCES Power Stats Data Analysis System (DAS).

Indicator 5d: Percentage distributions by race/ethnicity of bachelor's degrees conferred by postsecondary institutions and of the civilian population: 1980 and 2013



SOURCE: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 2014*, Table 322.20; U.S. Census Bureau, http://quickfacts.census.gov/qfd/states/00000.html.

Equity Indicator 6a: Percent of 25- to 34-year-olds with a Type A (bachelor's or equivalent or above) tertiary degree: 2000 and 2014



SOURCE: Organisation for Economic Cooperation and Development (OECD). (2015). *Education at a Glance 2015*. http://www.oecd.org/edu/education-at-a-glance-19991487.html.

Dialogue Questions

1. What do you think are the top 3 changes needed to improve equity in higher education in the U.S.?
2. Tom Mortenson has put forth 8 proposals for HEA reauthorization he believes would improve higher education opportunity in the United States. Which of these do you think would be a good idea? And which do you think would have a chance of being implemented?
3. What would be your vision for the ideal system of higher education finance from a student equity and, talent development perspective and also from the perspective of the common good of the US democracy? What ideas –inside or outside of the box are most attractive to you?
4. The higher education proposals of the Presidential contenders range from Bernie Sanders general plan for free public higher education at 2-year and 4-year colleges based on the view that higher education is a human right, to Hillary Clinton's more complex proposals for debt-free public higher education, http://www.usnews.com/opinion/economic-intelligence/articles/2016-03-11/sanders-and-clinton-arent-that-different-on-debt-free-college to Donald Trump's proposals via policy advisory Sam Clovis 's statements that would "upend the current system of student loans", force all colleges to share the risk of such loans and make it harder for those wanting to major in the liberal arts at nonelite institutions to obtain loans. https://www.insidehighered.com/news/2016/05/13/trumps-campaign-co-chair-describes-higher-education-policies-being-developed Which of these proposals do you think has some chance of being implemented and what would be the consequences?

Tom Mortenson's Proposals

1. $13,000 Pell Grant maximum Award
2. $2,000 Super Pell grant for students whose calculated family contribution is far less than zero
3. Joint federal-state partnership for financing Pell Grant Program
4. College work-study for all students
5. Income-contingent education loan repayment for all students with time limits
6. Lottery for admission at class exclusive colleges and universities requirement for continued eligibility for Title IV program participation and tax exempt status
7. Expansion of the TRIO/GEAR UP support services for low-income, first-generation students and students with disabilities to cover at least 20 percent of the eligible students per year
8. Rigorous program evaluation of all federal student financial aid programs, beginning with federal education tax credits

Bernie Sanders---College for All Act

- **Eliminate Undergraduate Tuition at 4-year Public Colleges and Universities.** This legislation would provide $47 billion per year to states to eliminate undergraduate tuition and fees at public colleges and universities.
- **Feds pay 67 percent and States 33 percent.** Today, total tuition at public colleges and universities amounts to about $70 billion per year. Under the College for All Act, the federal government would cover 67% of this cost, while the states would be responsible for the remaining 33% of the cost.
- **State Requirements**. To qualify for federal funding, states must meet a number of requirements designed to protect students, ensure quality, and reduce ballooning costs. States will need to maintain spending on their higher education systems, on academic instruction, and on need-based financial aid. In addition, colleges and universities must reduce their reliance on low-paid adjunct faculty.
- **Uses of Funds. States** would be able to use funding to increase academic opportunities for students, hire new faculty, and provide professional development opportunities for professors. No funding under this program may be used to fund administrator salaries, merit-based financial aid, or the construction of non-academic buildings like stadiums and student centers.

Sanders --Continued

- **Student Loan Reforms Restoration of Historically Low Student Loan Interest Rates**. The College for All Act would lower student loan interest rates by restoring the formula which was in effect until 2006. Student loan interest rates would be cut almost in half for undergraduate students, dropping from 4.32% to just 2.32%. In addition, the legislation would ensure rates never rise above 8.25%.
- **Student Loan Re-financing.** The College for All Act would enable borrowers to refinance their loans based on the interest rates available to current students.
- **Work Study Reforms.** Today, the federal work study program receives less than $1 billion per year, and serves nearly 700,000 students. This legislation would expand the number of students and colleges that can offer part-time employment and participate in the federal work study program, and focus funding on schools that enroll high numbers of low-income students.
- **Simplifying the Student Aid Application Process.** The bill would create a pilot program to eliminate the requirement that students re-apply for financial aid each year, simplifying the application process and removing significant barriers faced by low-income students.
- **Fully Paid for by Imposing a Robin Hood Tax on Wall Street.** This legislation is offset by imposing a Wall Street speculation fee on investment houses, hedge funds, and other speculators of 0.5% on stock trades (50 cents for every $100 worth of stock), a 0.1% fee on bonds, and a 0.005% fee on derivatives. It has been estimated that this provision could raise hundreds of billions a year which could be used not only to make tuition free at public colleges and universities in this country,

Hillary's –New College Compact

- **Provide grants to states that commit to ensuring that no student should borrow for tuition and improved affordability for other costs at 4-year public colleges and universities**
- **Provide tuition-free community college**
- **Significantly cut the interest rate on student loans**
- **Support private colleges, including Minority Serving Institutions, working to improve affordability and student outcomes**
- **Provide robust educational benefits for those who serve their country**
- **Expand AmeriCorps** from 75,000 to 250,000 members—loans forgiven
- **Make income-based repayment simple and universal** so that all students know they can enroll, and never have to repay more than they can afford.
- **Build on TRIO and GEAR Up to extend support for services**
- **Extend the American Opportunity Tax Credit** ensuring that middle-class families avoid a tax increase of up to $2,500 per ye**ar**
- **Provide added support for rebooting careers and participating in lifelong learning**

Hillary Clinton—New College Compact--Continued

- **The New College Compact Students should never have to borrow to pay for tuition, books, and fees to attend a four-year public college in their state.** Pell Grants are not included in the calculation of no-debt-tuition, so Pell recipients will be able to use their grants fully for living expenses. Students at community college will receive free tuition.
- **Students will do their part by contributing their earnings from working 10 hours a week**.
- **Families will do their part by making an affordable and realistic family contribution**.
- **The federal government will make a major investment in the New College Compact by providing grants to states that commit to these goals, and by cutting interest rates on loans**.
- **States will have to step up** and meet their obligation to invest in higher education by maintaining current levels of higher education funding and reinvesting over time.
- **Colleges and universities will be accountable for improving outcomes and controlling costs to ensure that tuition is affordable and that students who invest in college leave with a degree.**
- **Encourage innovators** who design imaginative new ways of providing a valuable college education to students—while cracking down on abusive practices that burden students with debt without value.
- A $25 billion fund will **support HBCUs, HSIs, and other MSIs** serving a high percentage of Pell Grant recipients to help lower the cost of attendance and improve student outcomes at low-cost, modest-endowment nonprofit private schools.

Hillary--New College Compact--Continued

- **Refinance existing loans at current rates**. An estimated 25 million borrowers will receive debt relief, and the typical borrower could save $2,000 over the life of his or her loans.
- **Cut Interest rates**. For future undergraduates, the plan will significantly cut interest rates so they reflect the government's low cost of debt. This could save students hundreds or thousands of dollars over the life of their loans.
- **Income based repayment-**-Everyone will be able to enroll in a simplified, income-based repayment program so that borrowers never have to pay more than 10 percent of what they make.
- **Helping those in default** to get into income based—restore credit
- **This plan will cost around $350 billion over 10 years**—and will be fully paid for by limiting certain tax expenditures for high-income taxpayers.

Trump—Not published--Sam Clovis, the national co-chair and policy director of Trump's campaign—Inside Higher Education article May 2016 - https://www.insidehighered.com/news/2016/05/13/trumps-campaign-co-chair-describes-higher-education-policies-being-developed

- Ideas being prepared for fall campaign. Among them:
  - Not supporting Clinton and Sanders plans—not realistic
  - Getting government out of student lending,--return to private and market driven
  - Requiring colleges to share in risk of loans
  - Discouraging borrowing by liberal arts majors
  - Hard look at Department of Education programs
  - Moving OCR to Justice Department
  - Focus on Colleges serving those that “can succeed”
  - Affirmative action decide in courts