



# RENEWING THE PROMISE OF THE HIGHER EDUCATION ACT

## SEVEN PRINCIPLES FOR REAUTHORIZATION



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#HIGHEREDREFORM



# INTRODUCTION

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**When Congress passed the Higher Education Act of 1965 (HEA), it opened the doors of learning and economic opportunity to all Americans regardless of their financial means. The law has benefitted generations of students who might not otherwise have afforded college. It has also benefitted our democracy and economy, providing the basis for a highly educated citizenry and workforce.**

The 50th anniversary of HEA is an opportunity to both celebrate its success and ensure it continues to expand opportunities for all Americans. In preparation for the reauthorization of the Act, we offer a set of shared principles for policymakers to consider. The principles reflect our concern that HEA's current formulation is not adequately meeting the needs of students for high quality, affordable, and relevant educational opportunities.

## KEY ECONOMIC AND SOCIAL TRENDS

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**Our economy and society have undergone enormous changes since the Higher Education Act was first passed into law and even since its most recent reauthorization in 2008. The Great Recession and prolonged economic recovery have brought into sharp relief a number of social and economic trends that have particular relevance for higher education policy moving forward. Specifically:**

### **Postsecondary education is the new minimum**

By the year 2022, two-thirds of all new jobs will require some form of postsecondary education and training. By some estimates, nearly half of all job openings will be for middle-skill jobs requiring education and training beyond high school but not a four-year degree – including jobs requiring associate's degrees, apprenticeship certificates,

and other industry-recognized credentials. Increasing access, affordability and completion of postsecondary education is more important than ever to ensure that workers and businesses have the skills to succeed in today's economy. Institutions of higher education have never been more critical for ensuring all Americans have access to economic opportunity and that the benefits of growth and innovation are broadly shared across our society.

### **The student body has changed**

The concepts of "traditional" and "non-traditional students" have outlived their usefulness as the postsecondary student population has become more diverse. In 2012, more than forty percent of undergraduates were over the age of 24 and only a quarter of all students attended school full-time at residential colleges. A majority of undergraduates work and more than a quarter are raising children. Many adults are returning to school to upgrade their skills or transition into new careers, forcing us to reconsider our traditional understanding of student goals and the meaning of "college completion." All

students, regardless of age, degree-seeking status, or residential situation need access to affordable educational opportunities that will help them advance personally and professionally.

### **The labor market is more competitive and less predictable**

The educational requirements of jobs are increasing at the same time that the transition from school to work has become more difficult. College graduates, while faring much better in the labor market than non-college goers, are taking longer to find good jobs and are earning less than previous generations. Job tenure has also shortened, and the growing adoption of contingent employment strategies puts more of the onus on individuals to develop, update, and market their skills. At the same time, businesses are struggling to find and keep the skilled workers they need to compete in a fast-paced, technology-driven economy. A recent survey of employers by the Business Roundtable found sixty-two percent of CEOs reported problems finding qualified applicants for jobs requiring advanced computer/IT knowledge. Skills are more important than ever for keeping our economy competitive and opening doors to opportunity and mobility.

### **Higher education is less affordable and more risky for students**

The cost of college has risen dramatically over the last fifty years, far outpacing inflation. By one estimate, the cost of college has increased twelvefold since 1980. There is little indication that prices will go down anytime soon. Rising tuition is driving demand for loans, and current graduates are entering the job market with far more debt than their predecessors. The increased use of borrowing raises the stakes of higher education for both students and taxpayers.

### **Students have more options, but quality varies greatly**

There has been a proliferation of educational options both inside and outside our formal higher education system – from short-term certificate or

high intensity boot camp programs directly tied to employers and to competency-based and online degree programs offered by a variety of public, non-profit, and private sector providers. Students and employers face a lack of transparency around the value of specific credentials, the quality of different education providers, and the return on investment of particular fields of study, with little guidance to shape decisions about how to proceed with post-secondary education.

### **The field is developing new strategies for serving students**

Higher education has not been standing still while the economy has changed and demand for postsecondary education has soared. Over the last decade, colleges, non-profits, researchers, foundations, and other partners have developed effective strategies for helping underrepresented and nontraditional students access and complete higher education. Career pathways, developmental education reform, contextualized learning, proactive advising, and stackable credentials are a few examples of evidence-based practices that are helping students persist in college and transition into good jobs and careers. While these new approaches hold promise for expanding the benefits of higher education to more Americans, their lack of scale limits their impact.

### **Technological change has accelerated**

Technology has allowed for more innovation in higher education and the economy than ever before. Enrollment in online programs and classes has continued to expand. Hybrid platforms and advising systems have changed student learning and support. Technology has created increased flexibility in the delivery of programs that are focused on students demonstrating mastery of content, including the application of knowledge in work place settings. At the same time, graduates are going on to be employed in workplaces that are faster paced and technology rich. These advances call for flexibility in our education and training systems.

# SEVEN PRINCIPLES FOR REAUTHORIZATION

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**Our postsecondary education system must serve a larger and more diverse population of students, and it must prepare them for an economy that is far more demanding and less forgiving than in years past. We offer the following guiding principles for reform that we hope policymakers will consider in the reauthorization process. We believe these principles will make higher education more responsive to the pressing needs of students for education that is affordable, timely, personally enriching, and valuable to the larger community in which they live and work.**



1

## **Outcomes are what matter**

Student outcomes need to play a stronger role in our quality assurance system and in the rules determining access to public federal higher education funds. As higher education becomes more essential and more expensive, it is imperative that we reduce the financial risk of educational investments for students, employers, and taxpayers. The best way to manage risk is to pay more attention to learning outcomes and labor market outcomes. The federal government and its partners in state government and the accrediting community, should ensure that federal higher education funding is linked to the

outcomes that matter most to students, employers, and taxpayers: credential attainment, graduation, jobs, earnings, and/or access to more advanced education. Our policies need to reward institutions for helping all students, especially those from historically disadvantaged or underrepresented groups, access and succeed in higher education and transition successfully into the next stage of their personal and professional development. Our policies also need to make it easier for institutions and policymakers to collect and report meaningful student outcome data, including employment and earnings.



2

## **Federal financial aid policies need to be more flexible**

The federal student aid programs authorized under Title IV of HEA do too little to support students who are older, returning to school, or seeking specific skills and credentials for work. While maintaining crucial safeguards against fraud and abuse, eligibility criteria and allowable expenses should be updated to better support students who need to combine work

and learning, accelerate their time to degree, and/or attend school part-time and year-round. Creating more opportunities to target grant and loan programs differently, depending on the level of risk or return associated with a particular program, can also provide more safe spaces for innovation in program design.



3

## Higher education needs to do more to connect learning and work

If students are to graduate ready for the world of work, we need approaches that marry classroom learning with educational opportunities rooted in exposure to real world experience and problem solving. The tools to bridge this divide, such as work-based learning, cooperative education, apprenticeships, and prior learning assessment,

are well known but not widely used in postsecondary education. HEA reauthorization should encourage institutions to expand experiential learning opportunities by supporting the use of college work-study and other innovative strategies for fostering stronger linkages between work-based and classroom learning.



4

## Accreditation processes need to be more transparent and rigorous

Our quality assurance system is fragmented, duplicative, and overly focused on institutional inputs and processes rather than program quality and student outcomes. The lack of transparency and the institutional focus of our accreditation

system make it too difficult for stakeholders to identify high-quality programs or mitigate the risks associated with bad programs. The reauthorization of HEA provides an important opportunity to strengthen quality assurance policy and practice.



5

## Quality assurance processes should focus more on programs and credentials

As the labor market grows more competitive and employers look increasingly for specific skills and experience, postsecondary credentials have become more important for securing good jobs. But our quality assurance processes have failed to keep up with the growing demand for and supply of credentials, leaving consumers – both students and employers – with inadequate information about the value, or even composition, of individual

credentials. Credentials need to accurately reflect what a student knows and can do. Improved competency and credential validation processes that include employers would go a long way to improve transparency around skill attainment and to ensure that credentials are used for making employment-related decisions. For these reasons and more, greater transparency should be a guiding principle of the reform of accreditation.



6

## Higher education is not an island; HEA shouldn't be either

The reauthorization of HEA creates opportunities to better align the law, particularly the rules surrounding access to the federal student aid programs, with other federal education and training programs. The recent reauthorization of the Workforce Innovation and Opportunity Act is an example of how policymakers can facilitate coordination and alignment among programs offering complementary

services. The upcoming reauthorizations of the Higher Education Act, Elementary and Secondary Education Act, and the Carl D. Perkins Career and Technical Education Act create more opportunities for states and institutions to coordinate federally-funded education and training programs through activities like joint planning, data-sharing, cost-sharing, accountability, and dual enrollment.



7

## Policy should encourage innovation and experimentation

Meeting the education challenges of the future will require new ways of designing, delivering, and assessing teaching and learning. Our public policies should support the scaling of evidence-based strategies as well as innovation in higher education to make it more accessible, affordable, and relevant to students, employers, and communities. New models are emerging inside and outside the existing higher education system that are pushing the

boundaries of educational design. These include career pathways and stackable credentials, flexible scheduling, prior learning assessment, concurrent enrollment models with adult education, and competency-based education. HEA should provide safe spaces for experimentation with new outcome-based quality assurance processes, alternative currency for awarding financial aid, and rigorous evaluation of new approaches.

# CONCLUSION

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**The Higher Education Act of 1965 was a historic and visionary investment in our future. The law reflected our commitment to equal opportunity and the belief that higher education strengthens our democracy and is a source of social mobility and economic security.**

Fifty years later, the linkages between education, democracy, and economic opportunity have never been stronger – or more fraught with risk. **Reauthorization offers the chance to renew our country's commitment to higher education for all who seek it**, while also helping institutions adapt to the fast-paced, technology-driven global economy that their students will face at graduation. If we can renew the promise of HEA, the United States stands poised to reap the rewards of a global economy that runs on advanced technologies and the skills that go with them. We hope that policymakers and the higher education community will come together to seize this historic opportunity.

