President Obama’s Higher Education Recommendations

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Hopefully, the proposed rating system will provide an effective matching model for students to make informed choices regarding school selection and career paths.

1. The federal ratings system should be simple and focused and employ metrics to assess the cost effectiveness of Pell Grant funds in attaining high economic rates of return on taxpayer dollars.

2. Pell Grant Ratings of the Economic Impact of Attendance: Institutional eligibility for Pell grant program participation should be based upon performance ratings of colleges and universities as acceptable, marginal, or unacceptable. A starting set of metrics is listed below and institutions should be judged relative to peers with similar entering student profiles. Scores could be assigned to appropriate metrics and cut-off numbers could be set for acceptable and marginal performance. Schools judged acceptable could be eligible for enhanced Pell grant support. Students eligible for Pell grants could only apply them at acceptable and marginal performance schools. Unacceptable schools would lose eligibility to participate in all Title IV programs.

3. Metrics for four year institutions to be refined over time could include net tuition for all students and for Pell eligible students, average net debt at graduation, loan default rates, six-year graduation rates for true freshmen, and four-year graduation rates for transfer students. Graduation rates could be required for all students and sub-groups of historically under-represented students and Pell grant eligible students. Schools could be encouraged to consider the APLU Student Achievement Measure, SAM, and Voluntary System of Assessment, VSA, Lumina Degree Qualifications Profile, DQP, and AAC&U LEAP initiative.

4. The federal government should assure the annual publication and accuracy of the relevant metrics and provide national data on initial and mid-career earnings by occupation. Regional accreditation agencies should maintain the role of assuring academic quality at each institution.

5. The highest value of Pell grant awards should be indexed for inflation. Summer Pell eligibility should be reinstated.

6. Pell Grant Eligibility for Individuals: Pell grant eligibility for individuals at four year institutions and community colleges should be contingent on proven need and limited in total quarters or semesters of enrolled eligibility (e.g., 21 quarters and 14 semesters). Students at four year institutions should demonstrate acceptable progress toward degree attainment. Early college high school participants should be eligible for aid without first earning a high school degree.