Archived Information

A NATIONAL DIALOGUE:

The Secretary of Education's Commission on the Future of Higher Education

SUMMARY OF MEETING

February 2, 2006

Strategies to keep the U.S. competitive in a global market while improving access, affordability, and accountability dominated the agenda of the February 2 hearing of A National Dialogue: The Secretary of Education's Commission on the Future of Higher Education. Innovation was the focus as the Commission, convening in San Diego, presented a public debate on America's higher education system and the socio-economic factors impacting delivery and financing. A chief goal of the session was to examine new paradigms for educational delivery, particularly online and nontraditional programs that increase access to higher education and diversify student populations.

Commission Chairman Charles Miller set the tone, alluding to the complex nature of the mission but vowing to produce a final report that features the best information available for practical use. Said Miller: "Rather than a research report, it will be the result of our combined intellectual capital. We're encouraged to produce bold ideas. As those ideas surface, we will need to be bold."

Miller also welcomed new Commission Member Catherine B. Reynolds, Chairman and CEO of EduCap, Inc., and the Catherine B. Reynolds Foundation.

Acting Undersecretary of Education David Dunn briefed members on President Bush's recent initiatives, including the $5.9 billion Competitive Initiative, which he said "anticipates doubling the federal commitment" for research and physical sciences over the next decade and encourages more private sector investment. The President also asked Congress to provide increased funding for the Advanced Placement and International Baccalaureate Program to train 70,000 new teachers in advanced math, science and languages, Dunn said.

Session 1—Task Force Updates

- **Accessibility:** Commission Member David Ward, President of the American Council on Education, said growing access is bringing more economically challenged students into the system, creating a need for new sources and access to federal, state, institutional and private financial aid. Other key issues: Academic preparation for college and the growing numbers of adults turning to higher education to enhance job prospects or compete more effectively in existing vocations.

- **Affordability:** Among general areas identified by Commission Member Richard Vedder, Distinguished Professor of Economics at Ohio University: performance levels and the lack of incentives for efficiency, productivity advancement, and cost control. He said the task force continues to pinpoint specific issues in these areas for inclusion in the final report.

- **Quality:** Commission Member James J. Dunderstadt, Director of the Millennium Project at the University of Michigan, presented what he called a "blockbuster" goal: "That the nation should commit itself to a vision of providing all American citizens with universal access to lifelong learning opportunities, thereby creating the world's most advanced knowledge society and providing for economic prosperity, national security and social well-being in a global economy." Specifically, the task force recommendations will focus on enhancing public-private partnerships to improve quality performance and efficiency in post-secondary education; stimulate a more "innovative culture" in American higher education with new programs and activities; improve access by examining state and federal public subsidies, and increase federal support for R&D and graduate education to improve economic competitiveness and national security.

- **Workforce:** Commission Member Robert Mendenhall, President of Western Governors University, offered this bottom-line assessment: "The employers of today are clearly looking for . . . a workforce that can be trained to evolve as the job evolves and as technology provides different responsibilities in the workplace." As life spans increase, he added, people might have a 50-year work life. Recommendations under review: Better collaboration between higher education, industry and government; more flexible financial support for licenses and credentials available outside a formal degree program; tax credit and incentive increases to low income citizens seeking higher education; greater accountability from institutions to track graduates in the labor market to ensure they are meeting workforce requirements, and development of state-by-state comparisons on the needs of adult learners and how those needs are being met.

- **Accountability:** Chairman Miller defined accountability as "measuring performance" and said the Commission will offer a briefing paper for analysis and discussion before the April meeting.

The Chairman repeated the hearing's theme—*innovation*—declaring: "Clearly, the ability of our economy to innovate has been a competitive advantage. The contribution of higher education to that capacity is critical."

Session 2—Innovation and the Economy: An analysis of the National Innovation Initiative report (NII), Innovate America, currently under review by policy makers and the business community.

The presentation by Dr. G. Wayne Clough, President of the Georgia Institute of Technology, Co-chairman of NII, provided a broad base from which to launch a discussion on innovation. He urged the Commission to examine: trends in higher education, changes in the global environment, and the role of the university in an innovation economy. Factors impacting these issues are science and engineering enrollments, the aging demographics of those who teach, new R&D challenges, the need to teach students how to compete globally, the continued need for IT-enhanced learning, and the reduction of the interval between university innovation and commercial placement.

Commission Member Nick Donofrio, Executive Vice President, Innovation and Technology, IBM Corporation, offered a global perspective on innovation and competition during the hearing and in submitted testimony. Donofrio pointed to collaboration between educational institutions and the government as a central element in creating an innovation economy. "America has a long and proud history of recognizing when change is required, and then rising to the challenge," he said. "As we work to transform our rhetoric into action, innovation must be our engine and urgency must be our fuel."

Session 3—Innovative Financing: Examining the power of capital markets and implications for higher education.

Mr. Trace Urdan, Senior Research Analyst with Robert W. Baird & Company, said contemporary corporations value not only financial assets but also intellectual capital. That shift is illustrated by current statistics that put skilled jobs at 65-75 percent of all employment and an increased demand for educated workers who are computer literate, critical thinkers, information analysts and understand the global marketplace. "Lifelong learning," said Urdan, "has gone from being a luxury to a necessity for both employers and employees alike." For-profit education is now embedded in the industry because it responds to consumer demand with appropriate curricula. He recommended state governments reassess funds to match higher education goals and allow institutions such as community colleges to privatize to increase efficiency while redirecting more aid to individuals.

Mr. Andy Kaplan, Partner, Quad Ventures, said there are more than 2,600 for-profit institutions in the U.S. He said the demand was created by limited job prospects for high school graduates. He outlined the strengths and weaknesses of the post-secondary market and recommended tightening controls and smoothing the approval process for buyers of new schools. Kaplan indicated private investments for schools in inner cities remains a problem because of regulations regarding retention rates and default rates.

Dr. Howard Block, an equity analyst at Banc of America Securities, outlined the role of private capital in higher education, the pros and cons of for-profit higher education programs, and incentives that might increase private investment for education and training. Block said for-profit institutions serve a higher percentage of minorities than traditional schools—34 percent versus 22 percent, a combined percentage for African Americans and Hispanic Americans. He said affordability continues to be a major issue regarding calls for better collaboration of institutions, governments and goals, Block said: "Instead of asking what incentives are needed to attract more capital, I'd like to ask what incentives are necessary in order to better align societal objectives with investor objectives."

Session 4—Innovative Models of Delivery: Expanding access to higher education via nontraditional and innovative delivery models.

Dr. Mendenhall described the nontraditional Western Governors University as "a different model of higher education." The school, created by 19 western governors as a private non-profit Internet-based school, receives no state money but was founded to create new paradigms. For example, there is no faculty tenure because evaluation

and compensation are primarily based on the success of students. He said explicit learning outcomes and measurements would benefit all of higher education.

With 79 campuses and 50,000 students, Kaplan University is an excellent subject for metrics and the delivery of online education. Commission Member Jonathan Grayer, Chairman and CEO of Kaplan, Inc., said the school constantly analyzes statistics to spot trends in the classroom—positive and negative.

Dr. Steve Shank, CEO of Capella Education Company, said his school serves 14,000 students in 50 states, and added that the statistical makeup points to its success in providing access: 97 percent are over the age of 25; 35 percent are Latino or African-American; 63 percent are women, and 15 percent are either active military or military family. Shank called for improved financial aid provisions that conform to students' needs and across-the-board accountability.

SUMMARY OF MEETING
February 3, 2006

Innovators in the higher education community are forging partnerships with industry and government to synthesize answers to questions of America's global fitness in science and technology.

Session 5—Innovative Public/Private Sector Models: Examining the relationship between higher education and industry.

The next few decades could reveal an explosion of technology and advances that could not be conceived of 20 years ago, said Dr. Rollie Otto, Director of Education Programs, Lawrence Berkeley National Laboratory. Otto also believes if the U.S. is to successfully "compete, prosper and be secure in the 21st century global community," changes are needed in the preparation of students in early grades and high school and also improvement in the quality of math, science, and technology programs for students and teachers. He favored forming alliances that encourage more mentors from the private sector to partner with students and schools. Otto said greater emphasis should be placed on helping students e connect what they are taught and how to apply that knowledge to the real world. He said the U.S. must increase the number of students entering the science and technology fields, promote equal access for all students (especially those in underserved groups), improve the quality of teaching in science and engineering, and encourage private sector partnerships that would give students and teachers more access to modern scientific tools and equipment.

Dr. Charles Reed, Chancellor of California State University, also referred to the effectiveness of partnerships in enhancing the scientific and technology IQs of America's underserved populations. More than half of the 405,000 students enrolled on 23 campuses are students of color. CSU negotiated to embed the university's placement exam in the California Standards Test for 11th graders, testing them in math and English proficiency before they entered 12th grade to identify and ameliorate remediation before entering college. CSU also distributed more than a half million posters throughout ethnic communities—in English, Spanish, Korean, Vietnamese, Chinese and Mong—so information could be shared with parents. CSU also identified the eight largest industries in the state and convened a meeting of more than 100 business leaders in disciplines such as agriculture, science and technology, IT, hotel, restaurants, and entertainment and asked them to discuss how the higher education community can prepare students to work in the 21st century. Reed said under-represented minorities do not feel welcome in higher education and suggested more diversity within the teaching ranks as a solution. "We've considered asking businesses to loan us some of their professionals who look like the students we're trying to recruit," Reed said. "The educational system needs to reshape its image to make it more inviting."

Ms. Monica Poindexter, Associate Director of Corporate Diversity and College Programs at Genentech and a graduate of UC Davis, said her company acted quickly during the United Airlines layoffs following 9/11, and created a model that taught "academics, industry and government how to work together." Genentech formed an alliance with Skyline Community College and developed a biotechnology recertification program based on Genentech's need for a more diverse workforce. Unemployed airline mechanics were taught Genentech's manufacturer procedures, were offered paid internships and, in some cases, employment. "You have to go where the minorities are," Poindexter said. "And government needs to continue extending its practice of funding programs designed to help youngsters enter a higher education environment."

Session 6— Innovative Teaching & Learning Strategies: Tapping the full potential of technology to transform teaching and learning.

Dr. Tom Magnanti, Dean, School of Engineering at MIT, discussed the school's OpenCourseWare initiative in which MIT shares course content with anyone, anywhere in the world, including lecture notes, PowerPoint slides, a syllabus and homework assignments. This program, which boasts 17 million users in three years, includes information on 1,250 courses in 34 academic disciplines offered at MIT—more than two-thirds of the institution's total offerings. "History has proven that education and discovery are best advanced when knowledge is shared openly," said Magnanti, who wants to launch an OpenCourseWare-type program for secondary schools.

E-learning could play a critical role in the future of higher education, "but not if we're doing it the way we're doing it now," said Dr. Joel Smith, Vice Provost and CIO at

Carnegie Mellon University. The current e-learning system has fundamental flaws, said Smith: It doesn't make use of the best information available on improving education and it fails to apply researched based theory and do scientific assessments on what works for students learning online. "How can we responsibly promote the use of educational interventions that offer no scientific evidence of their effectiveness?" said Smith, who added too many courses are designed without considering how students perceive or react to material. The same precautions should apply to the Open Learning Initiative, another teaching and learning strategy that allows students to complete an entire course without instructor intervention. It compensates for the lack of live instruction by gathering performance data that gives users an immediate assessment of their strengths and weaknesses. "You don't have to wait for midterms," Smith said. He said a team of content experts should work with cognitive scientists to ensure the development of effective and usable online courses.

Dr. David Wiley, Director of the Center for Open and Sustainable Learning at Utah State University, said higher education is failing to reinvent itself as technology advances, causing it to be detached from business, science and everyday life. He supports MIT's OpenCourseWork programs. "In order to realign itself with changes in society and in its student base, higher education must find the will to innovate in the area of openness, and then in the areas of connectedness, personalization, participation and other key areas. The open infrastructure of the Internet has enabled a huge number of innovations at a speed and scale that could never have occurred if that infrastructure had been closed. Please set a bold goal of universal access to educational opportunity. It's the right thing to do for the citizenry. It's the best thing to do for higher education."

Session 7—Student Panel: Nontraditional students share their experiences.

Dr. Carol Young is a registered nurse with a Ph.D. from Houston. Mr. Jerry L. Davis, Chief Information Security Officer for the U.S. Department of Education, is working on a second graduate degree. Both received advanced degrees from online institutions and enthusiastically support the nontraditional programs that allowed them to fulfill their educational dreams and gain career advancement.

"I chose an innovative, nontraditional school because it was the only way I could continue with my chosen career in a company where I worked for nearly 30 years," said Young, a Capella University graduate who received financial aid and now heads a research program at the hospital where she cares for newborns.

Davis, who completed his studies online with Western Governors University, said he was pleased to find a program that "increases access for those adults unable to attend traditional programs—those with families and full time jobs." For adults "who must contend with conflicting and competing priorities and professional and personal responsibilities, online learning presents a fabled balance between life and work," said Davis. "I was able to structure my studies around my lifetime requirements and commitments instead of the reverse."

Mr. Jon Lamphier said nontraditional schooling would make a difference as America refines its higher education system and prepares its workforce for global competition in technology and jobs. The Marine veteran graduated from Kaplan University in 2003 and credits the program for a series of successful endeavors, including a scheduled May graduation from Fordham University School of Law, a position with Ernst & Young, and further studies at Fordham—this time for an MBA in finance. "I have never felt at a disadvantage to my peers," he said. "If anything, I have excelled."