Update on Affordability
From the Federal Perspective

Southern Regional Education Board
Commission on College Affordability in the South
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Feds on Affordability: Front And Center

- Within Congress and the Executive Branch
- Among the Pundits and Advisors (Lumina & Gates)
- For the Candidates (and wanabes)
- To Those Responsible for the Expiring Higher Education Act (HEA or HEOA)
Feds on Affordability: Front And Center

- **Nature of Interest Depends:**
  - **On Time Dimension**
    - Short-term – Solving *today’s problems*
    - Medium-term – Making necessary *incremental changes*
    - Long-term – *Reforming* the system
  - **On The “Venue”**
    - Visionary futurists – the dreamers
    - Political thought – it’s campaign time
    - Policy Oriented (the authorizing folk)
    - Finance Oriented (the appropriating folk)
The View of Affordability from the Visionary Folk (And Most Democratic Candidates)

- To the visionary (& some candidates)

  Affordability means:
  - Reducing middle-class burden, not barriers for the most needy
  - Affordability to federal government not an issue
    - Mantra: More is better and never enough
The View of Affordability from the Visionary Folk (And Most Democratic Candidates)

- Strategies:
  - Return Pell to proportionality of costs represented 50 years ago (the pundits)
  - Eliminate Debt:
    - Free tuition (Obama & Warren)
    - Shared responsibility (Clinton)
    - Indentured Servitude (Sanders & conservative folk)

- Dilemma:
  - Expensive
  - Ineffective in fostering completion (still focused on enrolling, not completing)
  - Focused on 20th century students, not new 21st century students
    - (no clear attention to adult or part-time students)
  - No attention to partnerships with states or institutions
The View of Affordability from the Policy Oriented Venue

- Congress
  - Senate – Alexander, Murray
    - Will do reauthorization
The View of Affordability from the Policy Oriented Venue

- Congress
  - Senate – Alexander, Murray
    - Will do reauthorization *(unlikely this year)*
    - Four themes (white papers & hearings)
      - Consumer Information & College Choice
      - Institutional Risk Sharing
      - Ensuring College Affordability
      - Accreditation and Quality Assurance
  - On Affordability -- Focus on Improvement; not replacement
    - Manage student debt; don’t eliminate it
    - Improve Pell
    - Foster Partnerships (with institutions & states)
The View of Affordability from the Policy Oriented Venue

- Executive Branch
  - Rhetoric but no initiative on Free Tuition
  - Focus on improving repayment options
- Regulatory Efforts
  - Improve Information (ratings)
  - Improve workforce impact (gainful employment)
  - Improve oversight (accreditation reform)
- Pundits
  - Improve programs within current funding levels
  - Focus on Partnerships – risk and reward sharing
The View of Affordability from the Funding Oriented Venue (Appropriators & More Conservative Politicians)

- Ryan budget proposals: freeze, then reduce federal student financial aid
  - Constrain Pell
  - Capture Loan Savings
  - No focus on affordability

- Christie:
  - Thoughtful “shared responsibility” concept

- Appropriations: status quo/incrementalism
Being Realistic on Affordability from the Federal Perspective: Bringing Policy and Funding into Sync

- Affordability means affordable to:
  - Students, Institutions, States, & the Feds
  - To adopt new “better” ideas will require dropping less effective programs
    - That’s tough work
- Ideas with legs
  - Shared responsibility
    - Risk sharing
    - New federalism
  - Focus on new students
    - Older & Part time
    - New Curricular approaches (on-line, competency based, etc.)
Being Realistic on Affordability from the Federal Perspective: Bringing Policy and Funding into Sync

- The Two Major Disconnects in Current Federal Discussions
  - The New Normal for Funding Higher Education—both Federal and State
  - The continuing focus on 20\textsuperscript{th} century solutions to serve 20\textsuperscript{th} century students, when we need new solutions for the 21\textsuperscript{st} century that focus on the new students of the 21\textsuperscript{st} century (older, poorer, less well prepared, and part-time)