

The Role of States in Higher Education
Testimony Provided to the
United States Senate, Committee on Health, Education, Labor and Pensions (HELP)
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Thank you for the opportunity to offer comments on the role of states in improving higher education attainment, especially for students from historically underrepresented groups. As I have devoted my career to conducting research designed to understand how to improve college access and success especially for students from underrepresented groups, I am delighted to have the opportunity to speak with you today.

Improving higher education is critically important to both individuals and our society. In this global, technologically-driven economy, available jobs increasingly require some education beyond high school. But, the U.S. cannot achieve the levels of educational attainment that are required for international competitiveness without closing the gaps in attainment that persist based on family income, race/ethnicity, and other demographic characteristics. Students from low-income families are less likely than students from higher-income families to enroll in college, and when they do enroll, they tend to attend less selective postsecondary education institutions and have lower completion rates. Data from one longitudinal study show that only 11% of adults whose parents had been in the lowest-income quintile earned a college degree, compared with 53% of adults whose parents had been in the top-income quintile. Educational attainment also varies considerably based on other characteristics, including the state, region, and locality in which an individual resides. Closing these substantial gaps in higher education attainment is important to the economic competitiveness of our nation, as well as for social justice reasons. Higher education produces countless benefits for individuals – including higher earnings, better working conditions, higher rates of employment, lower rates of unemployment and poverty, better health, and longer life expectancies, as well as numerous benefits for our society, including greater economic productivity, less reliance on social welfare programs, greater civic engagement and charitable giving, and higher rates of voting. Raising our nation’s educational attainment and closing gaps in attainment across groups is also needed to counteract the considerable and growing income inequality that exists in the United States.

Many stakeholders, including the federal and state governments, as well as students and their families, K-12 schools and higher education institutions, employers, and philanthropic organizations, have roles to play in closing gaps in higher education attainment.

The Higher Education Act is a key mechanism for advancing this goal. As I and others have written elsewhere, the financial aid programs authorized under Title IV – especially the federal Pell grant – are critical to reducing the financial barriers to college attendance for students from low-income families. The TRIO programs are important to promoting the successful transition into and through college for many low-income and first-generation college students and have expanded college opportunity for groups that had previously been excluded. I applaud the Committee’s attention to the ways that the

benefits of these and other programs may be enhanced by making such changes as simplifying the financial aid application process, standardizing the financial aid award letter, and addressing some of the negative consequences of using loans to pay college costs.

I also applaud the Committee for its attention to the topic of today's hearing: The role of states in higher education.

In our federalist system, states have the primary responsibility for improving the higher education attainment of their residents. In a new book entitled, *The Attainment Agenda: State Policy Leadership for Higher Education*, my Penn GSE colleague Joni Finney and I provide complete results of a comprehensive examination of the relationship between state policy and higher education. For this study, we conducted in-depth case studies of this relationship in five purposively selected states: Georgia, Illinois, Maryland, Texas, and Washington.

Five conclusions are particularly relevant to today's hearing.

First, the relationship between public policy and higher education attainment cannot be understood without considering the state context. We found different stories about the relationship between public policy and higher education attainment in each of the five states we examined. These different state stories are not surprising, given that these five states – and all 50 states - vary greatly in terms of many characteristics, including their need for improved educational attainment and the magnitude of gaps in educational attainment across groups, as well as the size and diversity of their higher education systems and their varied higher education governance structures. They also vary in terms of their demographic, economic, political, and historical characteristics. Any federal policy intervention must recognize the tremendous diversity that exists across and within states. Given this diversity, there is no “silver bullet” policy that will “solve” the higher education attainment problem.

Second, improving higher educational attainment requires state policy leadership. Higher education institutions have a range of goals and objectives – not all of which give priority to – or are consistent with - a state's goal of improving its overall higher education attainment and closing gaps in attainment across groups. State policy leadership is required to articulate statewide goals for improving a state's higher education attainment, and state policy leadership is required to steer institutions toward achieving these goals.

Third, all states have policies in place that are somehow related to college preparation, participation, completion, and affordability. But, if states are to make meaningful progress in raising overall higher education attainment and closing gaps in attainment, they must have more than a collection of policies. To improve educational attainment for their populations, these policies must be oriented toward meeting three goals:

- 1) Ensuring that college is affordable,

- 2) Ensuring that students can move from K-12 schools into higher education institutions and can transfer among higher education institutions without loss of academic credit, and
- 3) Ensuring that high-quality higher education options are available to all state residents.

To maximize the effectiveness of available resources, we must better understand how various public policies in these three categories come together to influence higher education attainment for individuals from different groups. For instance, college affordability is determined not just by the federal government's investment in financial aid, but also by state appropriations to public institutions, the amounts and types of financial aid that state governments and higher education institutions make available to their students, and the tuition and fees charged by higher education institutions. Affordability is also a relative term, as what is affordable depends on an individual's family income.

A fourth conclusion from our study is that public policies must be oriented toward leveling the playing field for higher education attainment. Students from disadvantaged groups are disproportionately negatively impacted when public policies do not ensure that college is affordable, do not ensure that students can move seamlessly across education levels and sectors without loss of academic credit, and do not ensure the availability of high-quality higher education options.

Finally, states must continually monitor the extent to which their collection of public policies is effectively promoting their state's overall higher education attainment and closing gaps in attainment across groups, and make necessary adjustments in these policies.

Based on this and other research (including a volume in *The ANNALS of the American Academy of Political and Social Science* that I co-edited with Michael McLendon from Southern Methodist University and that will be released in September), I recommend that the Higher Education Act be amended to include "federal-state partnerships" for raising overall higher education attainment and reducing gaps in attainment across groups. Such partnerships would build on prior successful partnerships such as those stimulated by the federal Morrill Land Grant Acts and the Leveraging Educational Assistance Partnership (LEAP) Program (formerly known as the State Student Incentive Grant (SSIG) program). Explicit federal-state partnerships would recognize that a comprehensive approach with specified roles of multiple actors is required if we are to successfully raise overall rates of higher education attainment and close gaps in attainment across groups.

One productive federal-state partnership would focus on improving college affordability. This type of partnership would address one force that is driving up tuition and fees at public colleges and universities: the decline in state appropriations per student. Greater attention to state investment – through both appropriations and financial aid – is warranted, given the declining affordability of higher education and the many public benefits that result from higher education. This type of partnership could take the form of

maintenance of effort provisions like those in the State Fiscal Stabilization Fund in the American Recovery and Reinvestment Act of 2009. An alternative approach would be to match state funding with federal funding, along the lines of the State-Federal College Affordability Partnership proposed by American Association of State Colleges and Universities (AASCU) and included in Senator Harkin's draft reauthorization bill. Three characteristics of the proposed partnership are particularly important. First, the proposed partnership specifies the roles and responsibilities of the federal government, state governments, and public colleges and universities in ensuring the availability of high-quality but affordable higher education. Second, it recognizes that affordability is influenced by both appropriations and tuition. Third, it sets as a clear goal the enrollment of students from low-income families.

A second type of federal-state partnership would encourage the development of more effective and innovative approaches to addressing the complex, systemic issues that limit college opportunity, especially for students from low-income families, racial/ethnic minority groups, and other groups that are underrepresented in higher education. This type of partnership could take the form of Senator Harkin's proposed "State Competitive Grant Program for Reforms to Improve Higher Education Persistence and Completion." Innovation is essential if we are to identify effective strategies for reducing the costs of delivering high-quality higher education, improving the transition of students from K-12 education into higher education (and reducing the need for developmental education), smoothing transfer among higher education institutions, improving degree completion rates, and better aligning the higher education options that are available within a state with the educational needs and other characteristics of a state's population.

In a third type of federal-state partnership, the federal government would incentivize states to promote college-related knowledge among prospective college applicants. Students are more likely to stay enrolled and have better graduation rates when they have more complete information about the different kinds of colleges and universities from which they can choose, the differences in costs of these institutions, and their financial-aid options. More and more information is available about these issues. But, the challenge is greater than simply making information available. The information must be relevant, useable, and applicable to students with different information needs. One of the primary mechanisms for converting information into knowledge is the high school counselor. But, in too many schools across the nation, there are too few counselors to adequately address college-related information needs. More must be done to ensure the availability of college-related counseling, including providing funding to staff these positions and encouraging the development of innovative approaches for delivering this counseling.

The challenges to closing gaps in attainment across groups are many. But continued gaps in higher education attainment leave the U.S. and individual states at a competitive disadvantage, diminish the middle class, and contribute to growing economic and social inequality. The time for greater action is now.