Assignment 7 Policy Analysis Critique: Obama’s Proposed College Rating System

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In August 2013, President Barack Obama announced his administration’s plan to establish a college rating system designed to combat increases in the cost of college for American students and their families (The White House, 2013). According to the White House’s Fact Sheet on the President’s Plan to Make College More Affordable: A Better Bargain for the Middle Class, the rating system will include measures designed to help families select schools based on value. The system should be in place before the 2015-16 academic year begins. Once an effective rating system has been established and tested, the administration hopes that Congress will pass legislation by 2018 that would distribute a portion of federal student aid dollars based upon the ratings. Secretary of Education Arne Duncan was quoted in *The Chronicle of Higher Education* as stating, “You want to see the good actors be rewarded. You want to see them get more resources” (Field, 2013, para. 4).

The current funding model for higher education is a state model that awards funds based on enrollment. In a time when schools are relying on tuition increases to make up for state funding shortfalls, the President’s plan is an effort to combat rising tuition costs by establishing a system that rewards federal dollars based on a specified set of outcomes. The rating system will also result in punishment for poor performers (The White House, 2013). U.S. Department of Education deputy under secretary Jamienne Studley noted that the rating system would eventually be linked to awarding financial aid to high-performance institutions (McCullough-Lovell, 2013). The rating system will address access, affordability, and outcomes by utilizing measures such as the number of students receiving Pell Grants; average tuition, scholarships, average loan debt; and, graduation rates, transfer rates, salaries after graduation, and the number of students with advanced degrees.

In 1972, while the Higher Education Act was under reauthorization, Democratic Representative Edith Green supported colleges and universities in their plea for support from federal funds. A battle ensued between Representative Green and Democratic Senator Claiborne Pell who believed the funds should be given directly to the consumer to attend his college of choice (Ravitch, 2009). Senator Pell won the battle with a grant modeled after the G.I. Bill. At a recent Higher Learning Commission keynote address, Baum and McPherson (2014) noted that the battle between Representative Green and Senator Pell resulted in a funding system that allowed the consumer to leverage the market.

It seems that a federal ranking system and subsequent aid rewards to students and institutions would harm the amount of leverage available to some students. According to the White House Fact Sheet, federal aid can be maximized for institutions with the best value (The White House, 2013). While the federal government cannot determine tuition rates for state-run colleges and universities, the proposal provides the government with an opportunity to use student aid as leverage. The leverage becomes that of the government and not the consumer (Jones, 2013). Jones (2013) proposed that the plan will “… discriminate against applicants who come from families with total incomes of $60,000 or more by awarding colleges higher federal ratings and increased federal aid for admitting a higher ‘percentage’ of students who receive federal Pell Grants” (para. 18). Hazelkorn (2013) contended that, “While higher education has traditionally been the primary guardian of quality, its role has effectively been usurped.”

## The Functionalist Perspective

As one would expect, *The Chronicle of Higher Education* carried multiple stories on the announcement of this plan. Other primary media sources covering the announcement and subsequent follow-up stories were business-related outlets such as *Forbes*, *Business Week*, and *Bloomberg.* It is evident that the capitalist agenda is concerned about the number of students who enter college and do not graduate; therefore, they would closely follow and investigate a proposal that would put a system in place enabling more students to graduate and become productive, tax-paying contributors to society. *U.S. News & World Report* also carried several stories, but they have a “dog in the fight,” so to speak, with their own college ranking system.

President Obama remarked that it was “… time to stop subsidizing schools that are not producing good results, and reward schools that deliver for American students and our future” (Field, 2013, para. 9). Critics of the proposal noted that adequate information for establishing a useful ranking system is not available. Currently, graduation rates are only measured for first-time, freshman students. Graduation rates are not reported for transfer students, part-time students, or students who stop-out and later return (Field, 2013). For many schools, a simplistic rating system will not adequately reflect the success of their student body. Schools with sub-par ratings could resort to taking actions that indirectly influence opportunities for underserved groups of students.

Jaschik (2013) related the proposed system to the “gainful employment” regulations established in 2011 for vocational programs that primarily focused on student debt and employment outcomes. Salary after graduation is one metric that will be used in the new rating system. This can also be deceptive to families who might be unfamiliar with salaries in certain fields. Schools specializing in fields leading to high salaries such as engineering will seemingly benefit from this aspect of the system while schools educating teachers and police offers will be ranked on the same measurements. Our communities are in desperate need for graduates to fill these and other moderately paying positions yet graduates entering these fields could, in theory, penalize their alma maters (McCulloch-Lovell, 2013). Debra Humphreys, vice president of policy and public engagement at the Association of American Colleges and Universities (AACU) stated that “[T]he quality of a college degree, or the value of an institution of higher education extends far beyond just what their graduation rates are or what the short-term job prospects are for their graduates” (Bidwell, 2013b, para. 15).

The proposal also encourages colleges and universities to implement innovative strategies to move students more quickly through degree programs (Skorton & Altschuler, 2013). Such efforts might include earning credit based on knowledge obtained rather than time in class, increased technologies, and learning communities. Such ideas not only ask colleges to graduate students, but to graduate them quicker and get them into the workforce. Skorton & Altschuler (2013), writers for *Forbes*, are supportive of President Obama’s proposal noting that he has “… launched a useful debate about how to measure effectiveness in higher education. Calibrating the metrics for maximum benefit and fairness won’t be easy, but we believe it can be done” (para. 18).

The State of Tennessee has utilized a performance-based funding model for several years. Phil Oldham, president of Tennessee Technological University, recognized that the model utilized in Tennessee values efficiency over exploration. E. Grady Bogue was instrumental in establishing this system but acknowledged before his death that the increased focus on hard data was too “businesslike” and could not account for valid learning moments that cannot be easily measured (Weise, 2013).

The Association of American Colleges & Universities (AAC&U) released a statement in November 2013 presenting their concerns and recommendations. They asked the administration to not consider their proposed metrics a measure of value or worth (AAC&U responds to President Obama’s proposed college ratings system, 2013). The association further held that a college degree does have worth in gaining employment; however, the real value of a college education is a graduate’s “… long-term success in a changing economy, in their civic participation, and in their personal development and individual flourishing … the ‘value’ encompasses their impact on the vitality and integrity of our democracy, on research and the advancement of knowledge, on community partnerships, and on global and economic development and innovation” (AAC&U responds to President Obama’s proposed college ratings system, 2013, para. 7). Hazelkorn (2013) examined the role of higher education in the policy agenda and held that “… higher education is the engine of the economy …” and the “… quality of higher education and research are vital indicators of national competitiveness” (para. 4).

## The Orthodox Marxist Perspective

According to many, the overall concept of this proposed rating system is flawed. The most obvious flaw is that the system is supposed to measure “value” with a set of metrics that is available to the federal government (McCulloch-Lovell, 2013). McCulloch-Lovell (2013) wrote that value should be determined by what students learn in the classroom. Can they think critically, solve problems, understand historical and cultural contexts, collaborate with others, and effectively communicate? Can one answer this question by knowing an institution’s graduation rate? It is likely that one cannot; there are too many variables to consider. Perry (2014) noted that the rating system does not consider individual student impact.

This simplistic approach is deceiving and would, from an Orthodox Marxist standpoint, contribute to a false consciousness. President Obama was quoted in the Washington Post as saying, “Higher education should not be a luxury. It is an economic imperative that every family in America should be able to afford” (Anderson & Rucker, 2013). American families will be expected to make value assumptions based on a college rank; however, they may not be informed on how that rating was determined or what actions that college may have taken to gain that rating. Did the college raise entrance requirements and reduce access to less qualified students? Did the school, intentionally or otherwise, contribute to grade inflation that resulted in a higher graduation rate? What did the graduating students learn in the classroom? Are they prepared to enter the workforce? These and other questions have been presented by college presidents, national college and university associations, and the education community in general.

The Association of American Universities (AAU) submitted a letter to the Department of Education surmising that the proposed system was established to measure access, affordability, and outcomes which require reporting of both the higher education inputs and outputs. AAU President Hunter Rawlings argued that these measurements are not independent of each other. He addressed the possibility that institutions might engage in “undesirable behaviors” to gain a more favorable ranking (Rawlings, 2013, para. 5). Rawlings further noted that measuring access by the number of Pell Grant recipients leaves out a large population of underserved but not Pell-eligible students that should be a factor in the access equation.

Other associations also expressed concern with the rating system diminishing access to lower-income students. The Association of Public and Land-Grant Universities (APLU) reported that education should be an economic equalizer but surmised that the proposed rating system will further broaden the gap between the upper and lower quartiles of wealth in the United States (Providing greater value to students and the public through enhanced transparency & accountability in higher education, 2014).

The White House fact sheet suggests that Pell Grant bonus awards would be given to high ranking schools to entice low- and moderate-income students to enroll while schools with high drop-out rates will be required to disburse Pell funds through the course of the semester rather than initial lump sum payments (The White House, 2013). Such provisions only expand the gap between the socioeconomic groups. Rewarding the good and punishing the bad only makes the good better and the bad worse.

In some instances, attending college will harm students (Baum & McPherson, 2014). Mike Cagney, CEO of a student loan refinancing company, told *U.S. News & World Report* that many students over-borrow. “Students pay the same amount in tuition for degrees that lead to different earnings outcomes, and schools have no incentive to lower tuition rates because the fees get paid, regardless of whether students can repay their debt or not” (Bidwell, 2013a).

## Summary

The President’s plan to rate colleges and later tie a portion of federal funding to high performance schools is directly related to our capitalist economy. By producing students capable of landing a job, repaying loans, and paying taxes, the government is reinforcing the capitalist agenda. Debra Humphreys of the AAC&U has expressed concerns about colleges and universities being able to report data relevant to their respective missions. She stated that, “A lot of college leaders are very concerned that institutions that are designed to serve low-income students or less well-prepared students won’t look good on their ratings in terms of graduation rates and default rates” (Clemence, 2014).

ACE released a report in March 2014 noting that students pay little attention to college rankings (Kingcade, 2014). Only one-quarter of students from the wealthiest backgrounds reported that college rankings were important in their college search. Higher-achieving students from wealthy families who are more able to study away from home are more apt to review rankings while middle-class students are predisposed to choosing an institution close to home (Kingcade, 2014).

While the rating system is touted as being transparent, it is anything but transparent. The proposed metrics will not provide enough information for American students and their families to adequately determine the value of a prospective institution (Bidwell, 2013a). The system provides an indirect opportunity for schools to marginalize minorities and lower socio-economic groups and contributing to the widening gap in social status. Terry Hartle, senior vice president of ACE stated that, “It will be possible to identify winners and losers – and which states win and lose … Those sorts of discussions tend to become very political” (Lauerman, 2013). Arne Duncan acknowledged that there could be unintended consequences if the system was not implemented well (Weise, 2013).

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