

AMERICAN ACADEMY
OF ARTS & SCIENCES

FOR FEDERAL
POLICY-MAKERS

THE FUTURE OF UNDERGRADUATE EDUCATION

THE FUTURE OF AMERICA

Commission on the Future of Undergraduate Education

OVERVIEW

AMERICAN ACADEMY OF ARTS AND SCIENCES

As one of the nation's oldest independent policy research centers and learned societies, the American Academy of Arts and Sciences convenes leaders to address critical challenges facing our global society and provides authoritative and nonpartisan policy advice to decision-makers in government, academia, and the private sector. Since its founding in 1780, the Academy has served the nation as a champion of scholarship, civil dialogue, and useful knowledge.

COMMISSION ON THE FUTURE OF UNDERGRADUATE EDUCATION

The Commission on the Future of Undergraduate Education was created by the Academy to examine the current state of American undergraduate education, project the nation's short-term and long-term educational needs, and offer recommendations for strengthening all aspects of undergraduate education. Over a two-year period, the Commission sought advice and consulted with a wide range of groups and individuals, including meeting with two dozen U.S. congressional offices, with over 200 students and faculty from public, private, and for-profit colleges and universities, and with numerous experts around the country. The Commission also published a series of papers on topics ranging from student financial aid to college teaching to the economic impact of increasing college completion rates.

THE FINAL REPORT

The Commission's final report, *The Future of Undergraduate Education, The Future of America*, is the culmination of a long process of research and deliberation. As the report states: **what was once a challenge of quantity in American undergraduate education, of enrolling as many students as possible, is increasingly a challenge of educational quality—of making sure that all students receive the education they need to succeed, that they are able to complete the studies they begin, and that they can do all of this affordably, without mortgaging the very future they seek to improve.** In this final report, the Commission offers a comprehensive national strategy with recommendations to achieve this goal.

FEDERAL POLICY PRIORITIES

The report recognizes the need for willing partners from federal and state governments, from colleges and universities, from business and industry, and from philanthropy and other entities to help achieve these goals. The recommendations that follow are directed toward federal leaders and policy-makers. **The full report and a report brief are available at www.amacad.org/cfue.**

The federal student grant and loan programs play a valuable—in fact, irreplaceable—role in the American system of financing higher education, but the nation's aid system is far more complex and confusing than it needs to be, and too much public money is being wasted. **The federal government should implement policies to increase college affordability.**

The greatest benefits of an undergraduate education for students and the country derive from earning a credential and not simply from attendance. Students who do not graduate are often wasting the scarce resources of money and time. And taxpayer-funded subsidies and scholarships are not as effective as they might be. **The federal government should develop policies to improve completion of quality college credentials.**

Progress is not guaranteed, and good things will happen only with sustained effort, but if we can sustain focus on the work, combining patience with urgency, we can, through undergraduate education, make great advances as individuals and as a nation.

FEDERAL POLICY PRIORITIES: Affordability, Completion, and Quality

- 1** Take further steps to simplify or even eliminate the FAFSA-based student aid application process, relying more on financial information already available from the Internal Revenue Service to determine eligibility.
- 2** The Pell system should provide grants that support students completing 30 credits anytime throughout the course of a calendar year, allowing students to take classes when they can and to complete their credentials in a timely fashion.
- 3** Design a single income-driven repayment plan in which students are automatically enrolled and loan payments are collected through the income tax system. The plan should include fiscally responsible repayment rates to limit the need for future debt forgiveness.
- 4** Develop guidelines for colleges and universities whose students are systematically unable to repay their federal loans to reimburse the government a fraction of the unpaid balance. Institutional risk-sharing that gives a college or university a financial stake in their students' success at school and afterward appears to be a promising innovation and should be tested. Policy design should ensure that institutions continue to honor their access-related missions and stand behind their commitments to high-risk students.
- 5** Track student progress across institutions and provide access to continued aid based upon satisfactory academic progress across multiple institutions. Under the current system, too many “swirling” students move from institution to institution piling up debt without earning a degree, resulting in significant debt and high risk of loan default.
- 6** Revise eligibility rules so as not to allow federal financial aid to follow students to low-performing institutions that have extremely low graduation rates.
- 7** Develop incentives for states to sustain funding for public higher education institutions and, where possible, to increase it. Federal and state governments should focus their dollars on comprehensive supports and incentives to improve the chances of students from low- and moderate-income backgrounds earning college credentials of value.
- 8** Experiment with and carefully assess alternatives for students to manage the financing of their college education. For example, income-share agreements allow college students to borrow from colleges or investors, which then receive a percentage of the student's income after graduation.
- 9** The federal government should take steps to consolidate and streamline confusing regulations, review and reduce unfunded mandates where appropriate, and eliminate extraneous and tangential rules while retaining and where possible improving worthwhile consumer protections.
- 10** Make college completion a top national priority using discretionary funds to make competitive grants that encourage evidence-based approaches to improving completion, including promoting informed program choices, limiting excess credits, reducing developmental coursework, improving teaching, and redesigning curricula.
- 11** Build a student unit record data system—removing identifying information—to understand institutional, state, and national trends in college outcomes. Track institutional and program performance on priority outcomes such as graduation rates, student debt default and loan repayment rates, and job placement/job success or further education outcomes.
- 12** The federal government should invest in a research and development strategy that increases the knowledge base of new models for designing, delivering, and assessing learning. Given the limited research base and mixed results to date, the Commission supports an evidence-based approach to the introduction of technology-based or technology-assisted education models. Outcomes should be disaggregated by key population groups, particularly those such as low-income, minority, and first-generation students. Results should be freely shared and disseminated across institutions and among researchers.

Commission on the Future of Undergraduate Education

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