U.S. COMMISSION ON CIVIL RIGHTS

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BRIEFING

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AN EXAMINATION OF THE EFFECT MINORITY ACCESS, PERSISTENCE, AND COMPLETION HAS ON THE SOCIO-ECONOMIC MOBILITY OF MINORITIES

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THURSDAY, MAY 28, 2015

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The Commission convened in Suite 1150 at 1331 Pennsylvania Avenue, Northwest, Washington, D.C. at 11:07 a.m., Martin R. Castro, Chairman, presiding.

PRESENT:

MARTIN R. CASTRO, Chairman
PATRICIA TIMMONS-GOODSON, Vice Chair
ROBERTA ACHTENBERG, Commissioner
GAIL HERIOT, Commissioner
PETER N. KIRSANOW, Commissioner
DAVID KLADNEY, Commissioner*
KAREN K. NARASAKI, Commissioner
MICHAEL YAKI, Commissioner

** Present via telephone*

STAFF PRESENT:

ANGELA FRENCH-BELL, Director, OCRE
PAMELA DUNSTON, Chief, ASCD
DARREN FERNANDEZ
LATRICE FOSHEE
DORIS GILLIAM
ALFREDA GREEN
JENNINFER CRON HEPLER, Parliamentarian
LENORE OSTROWSKY, PAU
MICHELLE YORKMAN, Director, IT

COMMISSIONER ASSISTANTS PRESENT:

SHERYL COZART
ALEC DEULL
JASON LAGRIA
CLARISSA MULDER
AMY ROYCE
JUANA SILVERIO
ALISON SOMIN
KIMBERLY TOLHURST

TABLE OF CONTENTS

OPENING REMARKS 5

PANEL I - FINANCIAL FUNDING FORMULA EXPERTS 13

PANEL II - FEDERAL GOVERNMENT OFFICIALS 53

PANEL III - SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE I 100

PANEL IV - SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE I 180

ADJOURN 234

1 P-R-O-C-E-E-D-I-N-G-S

2 (11:07 a.m.)

3 CHAIRMAN CASTRO: This meeting will come to
4 order. I'm Chairman Marty Castro of the U.S. Commission
5 on Civil Rights. I want to welcome everyone here today
6 to our briefing on the Effect of College Access
7 Persistence and Completion Rates on the Socioeconomic
8 Mobility of Minorities. It is now 11:10 a.m. and with
9 me here in the Office of the Civil Rights Commission
10 are our Vice-Chair, Patricia Timmons-Goodson,
11 Commissioners Narasaki, Heriot, Kirsanow, Achtenberg
12 and Yaki. Participating by phone is Commissioner David
13 Kladney, and the purpose of the briefing today is to
14 examine how access to and persistence through completion
15 of higher education may have a disparate impact on
16 socioeconomic mobility for minorities.

17 The Commission will also be examining in
18 detail barriers that minorities face in accessing higher
19 education. Before we get into the formal program,
20 however, I would like to give our Commissioner Roberta
21 Achtenberg, an opportunity to say a few opening remarks.
22 This is a briefing that she brought forward, and we give
23 her the floor.

24 **OPENING REMARKS**

25 COMMISSIONER ACHTENBERG: Thank you, Mr.

1 Chairman. I want to begin by saying a big thank you to
2 the OCRE staff, especially Angela French-Bell and Darren
3 Fernandez for all their work on putting together this
4 first two-day briefing that the Commission has had in
5 a very long time. It was a tremendous amount of work,
6 and they did the work extremely enthusiastically. I
7 also want to thank the OCRE staff for the work that they
8 did on the LGBT workplace discrimination briefing held
9 in March. Both of these projects have been very
10 important to the Commission's work; OCRE's work has been
11 exemplary and I wanted to say a special thank you to
12 them for all the hard work.
13 The premise of today's exploration is that
14 access to and attainment of a bachelor's degree is the
15 key to upward socioeconomic mobility in today's national
16 economy. Attainment has significant, measurable,
17 lifelong benefits for workers. Workers who attain the
18 bachelor's degree can expect to achieve as much as $1
19 million in additional lifetime earnings as compared to
20 their high-school degree earning counterparts, and that
21 is very significant. However, there are racial
22 disparities and gaps in enrollment in university,
23 persistence toward a baccalaureate degree, and the
24 attainment of a baccalaureate degree, and those gaps
25 and disparities are what we will be examining today.

1 Certainly, there are disparities in
2 preparation for admission, which then lead to disparate
3 admission statistics, disparate persistence
4 statistics, and disparate achievement levels.
5 Nonetheless, there are programs that we will hear
6 testimony about from the heads of three major university
7 systems and others that help minorities and others
8 address these achievement gaps. Many have been
9 operated extremely successfully, and some have been
10 invested in not only locally on the state investment,
11 university investment, but federal investment as well,
12 and that will be explored.
13 However, federal statutory funding
14 formulae don't always address these disparate issues;
15 in fact, in some cases, they compound the disparities,
16 and we'll hear testimony to that effect as well. Why
17 is this relevant? Well, given the significance to
18 economic and social mobility of achievement of a
19 baccalaureate, addressing these disparities is an
20 important civil rights issue of our time, and with the
21 Higher Education Act in the process, perhaps, of being
22 reauthorized, now is the time to take a look at what
23 we can do or what we can recommend that Congress do,
24 and the Administration consider, when it comes to
25 reauthorizing the Higher Education Act.

1 The various campus-based funding formulae
2 are in need of radical revision, and that is something
3 that we hope might be the result of the examination that
4 we will be undertaking over the course of the next two
5 days. As a nation, we are under-performing in terms of
6 degree attainment in general; if we hope to propel our
7 national economy forward at an ample rate and to become
8 internationally competitive again, federal investment
9 could be better made to address the gaps in overall
10 achievement as well as the gaps in achievement by
11 African-Americas, Latinos, and Native Americans, in
12 particular when it comes to achieving the baccalaureate
13 degree.
14 These problems could be addressed
15 significantly by the redeployment of already allocated
16 federal funds, and we'll hear experts talk about how
17 those funds might be redeployed much more strategically
18 in programs that we know work. This is a pressing issue
19 of our time, and I'm delighted that the Commission will
20 spend two days exploring these very serious challenges
21 that we face. It's about time, and I'm delighted that
22 the time has come. So thank you for the opportunity,
23 Mr. Chairman.
24 CHAIRMAN CASTRO: Thank you, Commissioner.
25 I know that you and your staff put a lot of effort into

1 getting this concept paper before us, and I also want
2 to express my thanks to the OCRE staff on putting
3 together a two-day panel for us, which is unusual but
4 necessary on this topic. So we're going to have over
5 the course the day, today and tomorrow, a number of
6 speakers. So today we're going to have 14 individuals
7 that are going to present to us throughout the day in
8 four panels.
9 The first panel is going to consist of a
10 financial funding formula expert, and that will be an
11 individual who will join us by telephone shortly. The
12 second panel is going to be a group of federal government
13 officials who are going to share their perspective, and
14 Panels 3 and 4 are going to touch on the impact of the
15 socioeconomic mobility and family structure issues in
16 education. But as I prepared for this briefing,
17 reviewing the materials, I couldn't help but see myself
18 reflected in some of the commentary that some of our
19 witnesses are going to be presenting to us.
20 As the first generation college student,
21 the son and grandson of Mexican immigrants, as the
22 product of Head Start, as the product of affirmative
23 action programs, I am an example of the programs that
24 we're going to be studying today and tomorrow. I'm an
25 example of the success of those programs, and so when

1 I read some of our witnesses talking about oh, you know,
2 everyone doesn't have to go to college, there is a lot
3 of other things people can do, well you know what? When
4 I was an honors student in high school, my high school
5 guidance counselor said that to me. You shouldn't go
6 to college; you should go work in the steel mills, where
7 most of the people in the community, which was a black
8 and brown community, went and earned a living. And I
9 said "no, I don't want to work in the steel mills, I
10 want to go to college." And my high school guidance
11 counselor would not help me with my college
12 applications.
13 So I had to go home, where my parents didn't
14 have any personal capital in how to do this, and I luckily
15 got into college through a leap of faith. And I wonder
16 to this day how many of my fellow classmates in that
17 largely Latino school heeded that advice from the
18 counselor and did not go to college. And then when I
19 got to college, I worked hard and got into a good law
20 school through affirmative action, and had people who
21 cared for me, and I had federal student loans, as well
22 as cleaning toilets and digging ditches to pay my way.
23 Then I got here, the first Latino chairman of the United
24 States Commission on Civil Rights. I would not be
25 sitting here today were it not for the educational

1 programs that existed from Head Start on the way up to
2 Pell Grants, and I would not be here if I listened to
3 the high school guidance counselor that I listened to.
4 And it's not an uncommon story, because I
5 sat in a room with Senator Kennedy, Senator Simon and
6 a few other senators a few years ago, and raised the
7 same issue, and there was a room full of Latino leaders
8 from across the country, and 90 percent of them raised
9 their hand and said they had a very similar experience
10 happen to them. So when I read about things that say
11 "well you know, you all shouldn't go to college," or
12 "college might be too tough for you, you're going to
13 be disappointed." I take personal concern about those
14 comments. So I really look forward to hearing from
15 those witnesses; they're going to talk about those
16 issues and to be sure, there are challenges.
17 We're going to hear about how college debt
18 is impacting students, particularly student of color
19 and from lower socioeconomic backgrounds. Luckily, I
20 was able to pay off my student loans over 10 years,
21 because I ended up working under the world's largest
22 large firm. But many of those opportunities don't exist
23 today, and so we need to figure out creative ways to
24 be able to address this so that we're getting people
25 not only a good college education, but a way to pay back

1 the debt that they're incurring. So I'm really looking
2 forward to the periods of testimony over today and
3 tomorrow.
4 Now those individuals who are in the room
5 who are going to be witnesses, they'll hear from me right
6 now the mechanics of this are going to work, and I'll
7 repeat it for every other panel, because I know all of
8 our witnesses aren't here yet. But we have a series of
9 warning lights here; green, red and yellow. So every
10 panelist is going to have seven minutes to speak, make
11 a presentation, and that will be followed by questions
12 and answers from my commissioners. And I will select
13 the commissioners who are going to ask questions, and
14 as my colleagues all know, I try to be fair and I also
15 try to make sure the trains run on time. But to that
16 point, as the light goes green, that's when panelists
17 will speak; when it gets yellow, it's a two-minute
18 warning to begin to wrap up, and when it's get to red,
19 we ask you to conclude your remarks. There will be an
20 opportunity in the question and answer to more fully
21 flesh out where you may have left off, and so there will
22 hopefully be that opportunity for everyone to make their
23 presentations.
24 So it is my hope then that we can then begin
25 this process if our first speaker--I don't know if--Mr.

1 King, King Alexander, is he on the phone yet? He's
2 supposed to join us at 11:20. While we wait for him,
3 I want to let folks know that in addition, the record
4 of this hearing is going to remain open for 30 days from
5 the date of the last hearing, so that'll be after
6 tomorrow. Members of the public can submit materials;
7 speakers or witnesses can submit and supplement
8 additional materials by either mailing them to us here
9 at the U.S. Commission on Civil Rights, Office of Civil
10 Rights Evaluation, 1331 Pennsylvania Avenue, N.W.,
11 Suite 1150, Washington, D.C. 20425, or via email at
12 publiccomments@usccr.gov, that's
13 P-U-B-L-I-C-C-O-M-M-E-N-T-S at USCCR dot gov. And with
14 those bits of housekeeping out of the way, Dr. Alexander,
15 are you available?
16 While we wait for him, let me give you a
17 little bit of his bio. He is from Louisiana State
18 University, and he's the Chancellor. And he's actually
19 going to be presenting to us on some very interesting
20 statistical information.
21 COMMISSIONER ACHTENBERG: Mr. Chairman,
22 King Alexander is the Chancellor of the Louisiana State
23 University System, and prior to that he was the President
24 of California State University Long Beach. He's a
25 well-recognized expert in federal funding and federal

1 financial aid, and is particularly well-versed in the
2 matters of where funding is currently going and how it
3 might be more strategically deployed to address some
4 of the achievement gaps, as well as the gap that the
5 nation is currently experiencing in attainment overall,
6 so both of those are critical issues. Obviously, the
7 issue of underachievement is the specific issue that
8 we are here to address, but the problem is enormous.

9 **PANEL I**

10 **FINANCIAL FUNDING FORMULA EXPERTS**

11 CHAIRMAN CASTRO: Thank you, Commissioner.
12 Is Dr. Alexander there?
13 DR. ALEXANDER: Yes, I'm here. This is
14 King Alexander.
15 CHAIRMAN CASTRO: Hello, Doctor, how are
16 you?
17 DR. ALEXANDER: Good, good. I can barely
18 hear you.
19 CHAIRMAN CASTRO: All right, how's that?
20 DR. ALEXANDER: Can you hear me?
21 CHAIRMAN CASTRO: Yes, we can hear you
22 quite well.
23 DR. ALEXANDER: Okay.
24 CHAIRMAN CASTRO: Let me let you know
25 you'll be speaking for seven minutes, prior to that I'd

1 like to swear you in if you're able to do that. I'll
2 ask that you swear or affirm that the information that
3 you're about to provide us is true and accurate to the
4 best of your knowledge and belief; is that correct?
5 DR. ALEXANDER: That's correct.
6 CHAIRMAN CASTRO: Great. And also just
7 for the record, we have a court reporter here who's going
8 to be taking down all the--a transcript of all of the
9 proceedings over today and tomorrow. So Dr. Alexander,
10 you may proceed.
11 DR. ALEXANDER: Well certainly. Thank
12 you, and I commend the Commission for looking into an
13 issue that we've been struggling with for quite some
14 time. That issue is how to more accurately and
15 effectively get federal funds to institutions that serve
16 low-income students, and currently the system that's
17 in place has not done an effective job of doing that.
18 Our low income and minority based students are
19 primarily, once again as they have always been, at
20 institutions that charge the least, spend the least and
21 in most cases, sending students to, in some cases,
22 without degrees or degrees that are not effectively used
23 in the marketplace.
24 So I would say that the student aid system
25 first and foremost was set up to aid private higher

1 education to keep it from going under in 1972, and to
2 help under the premise that they would ensure that
3 low-income students would receive greater access to
4 private institutions if, indeed, a federal voucher
5 system were to be adopted, which is what was adopted.
6 And in addition to that, the only mission that was
7 prioritized by the federal government at the time wasn't
8 whether you're a for-profit, not for profit public
9 institution or whether you serve low-income
10 populations, but many of the programs are cost or
11 price-sensitive, such as SEOG. SEOG is price-sensitive
12 to the extent that if you charge more, you get more work
13 study money, you get more SEOG money.
14 For example, Duke University gets
15 about--last year got about $700,000 in SEOG funds and
16 $2 million in work study funds. California State
17 University Long Beach, on the other hand, with nearly
18 a 50 percent low income population, of which Duke has
19 about a 15 percent Pell population. Cal State Long
20 Beach got the same amount of SEOG money, and one-half
21 of the work study money that Duke University received,
22 and one-half of the money that DePaul University
23 received in Chicago, with perhaps only 30 percent to
24 20 percent of the low income population that many of
25 the California institutions have. So the system was set

1 up to prop up high cost institutions and not to
2 effectively support the low income students, the growing
3 number of low income students needing higher education
4 institutions and the lower cost higher education
5 institutions.
6 CHAIRMAN CASTRO: Does that conclude your
7 remarks, Doctor?
8 DR. ALEXANDER: Well, I'd point out that
9 this is evidenced in so many different varieties. What
10 was not anticipated by the federal government in 1972
11 with the federal based programs was that states would
12 be removing themselves from their fiscal
13 responsibilities to support low cost institutions. So
14 once the states started doing that--and states are down
15 48 percent in tax effort from where they were in
16 1981--that means the lower cost institutions that rely
17 very heavily on state funding, which was supposed to
18 be maintained, are also the same institutions serving
19 the bulk of the nation's low income students and
20 population. Now the federal system has become so
21 lucrative, that hundreds of for profit institutions have
22 jumped into the fray, and now the federal--and now, for
23 example, 30 percent of all the Pell Grants go to for
24 profit sector institutions that serve 11 percent of the
25 student population, yet still actually have about 47

1 percent of all the student loan defaults. I would say
2 a substantial disservice to the low income students who
3 get pulled into those institutions.
4 So what effectively has happened is that
5 we have taken the exact opposite position at higher
6 education at the federal level than we did at K-12 level
7 for Title I ESEA schools, where it was maintained and
8 it was believed and it was put into policy that
9 institutions or schools that had a certain percentage
10 of free lunch kids, a certain percentage over the
11 minimum, that they deserve to have more support through
12 federal additional funds, and these are non-supplanting
13 funds, so states can't take their money out; the states
14 have to keep their money in and the federal government
15 contributes to those low income schools, K-12 schools.
16 All of a sudden when these students turn
17 18, we make a drastic change in federal policy. We say
18 that nobody, none of these students have the same
19 socioeconomic disadvantage that they did in high school,
20 so that the institutions that primarily serve these low
21 income students do not need any additional institutional
22 support, and that is the great divide that we made
23 between K-12 and higher education. And in many cases,
24 you could argue that as they have done effectively in
25 numerous states, as many as 20 plus states, that if we

1 are spending more money on a richer group of students
2 going to richer institutions, and less money on the
3 poorer students going to poorer institutions that charge
4 less, that spend less per student, is that
5 constitutional?
6 Well, it's not a fundamental right to go
7 to higher education, but somebody needs to ask that
8 question. Do they have a fundamental right to be
9 supported at least at an equal amount, or even at a higher
10 amount, that's what we decided in ESEA in Title I
11 schools, and that is in the process of being reauthorized
12 at the moment. So I would say we've done the exact
13 opposite for higher education in propping up higher cost
14 institutions who support more higher income students
15 at the expense of supporting the institutions that
16 support and educate the bulk of our lower income student
17 populations throughout the United States.
18 CHAIRMAN CASTRO: Thank you, Doctor. I'm
19 going to begin the questioning; we're going to have the
20 commissioners ask you some questions. We're going to
21 start out with Commissioner Achtenberg.
22 COMMISSIONER ACHTENBERG: Dr. Alexander,
23 thank you so much for your testimony, and we'll be
24 entering into the record a number of the scholarly
25 articles that you've published on the issues surrounding

1 federal funding and low income students, so I want to
2 thank you for that as well. Could you restate the
3 problems that surround campus-based aid funding formula
4 challenges? Could you talk about the disparities
5 between, for example, what the California State
6 University System receives in the aggregate to
7 supplement the funding of its low income students as
8 compared to, for example, what the Ivy League schools
9 receive in the aggregate? I'm told that the Ivy League
10 schools receive about $10 million in SEOG for 60,000
11 students, and the CSU for 400,000 students receives
12 about $11 million. How can that be?
13 DR. ALEXANDER: That is because the formula
14 has been based on protecting the have versus those that
15 are the newer institutions that are the have nots, even
16 though the have nots have the bulk of it. The numbers
17 you just gave also support that the entire Ivy League
18 combined--all eight institutions--have less Pell
19 students than Cal State Long Beach by itself. And this
20 is a substantial disadvantage, and the way the formula
21 works is not towards a fair share process, but it's to
22 protect the institutional haves, who have been in the
23 process longer, and that have less low income students,
24 and it is more about supporting them than it is about
25 supporting students.

1 If the campus-based programs followed the
2 Pell process, much more money would have gone to the
3 CSUs and other institutions that have the bulk of
4 America's low income students, instead of the richest
5 campuses in America. So you're exactly right to point
6 out that this does not make sense, that the Ivy League,
7 with over $100 billion in endowment in the bank, that
8 they're getting the same amount as Cal States that have
9 a substantial portion of the low income Hispanic,
10 African-American, Asian-American students in this
11 country. And the protection--I call it the Plymouth
12 Rock syndrome.
13 The campus based programs have fought for
14 30 years, and these reports started coming out in the
15 late 70s, that there is a problem with this, but the
16 Plymouth Rock syndrome means that if your campus is
17 closer to Plymouth Rock, chances are you're going to
18 get more campus based support, and the numbers pan that
19 out. The farther you are from Plymouth Rock, the newer
20 your institutions are, the larger your institutions are,
21 and the more your institutions serve low income students
22 needs to be weighted differently in the formula, much
23 more like Pell Grants instead of based on previous
24 formulas that do not support the fair share; they support
25 what has traditionally happened, which is to protect

1 the money that they've been getting for 30 plus years.
2 COMMISSIONER ACHTENBERG: Could I ask one
3 more question?
4 CHAIRMAN CASTRO: Please. Go right ahead.
5 COMMISSIONER ACHTENBERG: Conversely,
6 there are investments that work. In the concept paper,
7 we take a look at the TRIO Program and the GEAR UP
8 Program, and I know various university presidents are
9 going to be testifying today and tomorrow about all the
10 strides that have made, that they have been able to make
11 with their campus based programs, early assessment
12 programs, cohort programs, Summer Bridge Programs and
13 the like that do yield real results for low income
14 students and for minority students, and do begin
15 bridging that gap. Could you talk a little bit about
16 your experience in that regard, and what has been working
17 at LSU, for example?
18 DR. ALEXANDER: Well, what we know works is
19 getting the right information in parents' hands and
20 students' hands beginning as early as sixth grade. It's
21 not showing up at orientation, it's sixth grade through,
22 and those programs, GEAR UP and others do an effective
23 job of reaching many students; however, GEAR UP and the
24 TRIO Programs, it's been estimated only reach about one
25 in 20 of those students that need them. So we're missing

1 19 of the 20 in terms of students that need those
2 programs. The more effective way to follow TRIO
3 certainly is to take a look at the campus based programs
4 and allocate funding to institutions that are able to
5 reach larger percentages of minority and low income
6 populations. Those are your larger institutions, and
7 we quite frankly have forgotten that in 1972, we were
8 more interested in protecting private higher education
9 from going under than we were protecting public higher
10 education, which we just assumed would be picked up by
11 the states, and their efforts would be continued by state
12 funding.
13 Now that states have backed out of their
14 responsibilities, then we need to ensure that any TRIO
15 funding or any real campus based funding that is more
16 need based and not have versus the have not based, or
17 what has continued to happen, what needs to happen is
18 that those federal funds need to be tied to continued
19 state support. Maintenance of effort provisions need
20 to be inherently added to the TRIO, need to be inherently
21 added to any new federal funds that go to states because
22 that will leverage state--federal funding to protect
23 state funding of the institutions with the bulk of
24 America's low income kids.
25 If we continue to pour money into a TRIO

1 or a campus based system in this structure, we're aiding
2 Duke and DePaul University and the Ivy League at the
3 expense of sitting and watching our public universities
4 go out of business, of which the first state that will
5 not spend a dime on higher education is Colorado in 2025.
6 Louisiana is right behind them in 2027, and subsequently
7 each state will withdraw their support, and continue
8 to withdraw their support unless these federal funds
9 are not used as leverage to encourage better state
10 investment in its low cost and high service institutions
11 to low income students.
12 COMMISSIONER ACHTENBERG: Thank you very
13 much. Could you comment on how the current SEOG funding
14 formula actually works--what is the formula that would
15 allow for such disparate funding that you described
16 earlier? I don't understand how--
17 DR. ALEXANDER: Well, there's been a lot of
18 discussion about changing this since the late 70s, and
19 in phasing out the institutional guarantee, and it's
20 called a base guarantee component that needs to be phased
21 out, that is based on history. That is not based on the
22 number of low income students you serve, and that is
23 the first component used in the formula. We've been
24 trying to get that as the last component used in the
25 formula so that the need based variable, like Pell Grant,

1 is the first allocation made through the formula.
2 Currently, this base guarantee, I'm not even sure how
3 they can justify its existence anymore. But what it
4 does is it gives an institutional allocation, and it
5 is based on more on what it had received in the past
6 and what the institutions say to support their base
7 allocation is that they charge more. So that they
8 charge more; therefore they should get more.
9 Well, that is nothing more than an incentive
10 to charge more, and SEOG gives them the incentive to
11 get more money because they charge more money. Now,
12 most of the institutions also that charge more are the
13 same ones that put more money into merit based aid, which
14 is also factored into the calculation because they call
15 that an institutional expenditure. Well that's just a
16 competitive--that's Brown versus Princeton, trying to
17 outbid for a 4.0 student; it's not based on need. They
18 consider that as being an institutional expenditure when
19 it is merit based, and I would first of all, in any
20 formula that supports a greater government allocation,
21 federal or state allocation to an institution simply
22 because they can charge more is exactly why the
23 University of Phoenix made off with $3.7 billion in
24 federal direct student aid last year, and only has an
25 11 percent graduation rate.

1 CHAIRMAN CASTRO: I'm going to ask--
2 DR. ALEXANDER: So the formula--the first
3 premise needs to be changed from--the base guarantee
4 needs to be factored out of the formulas for these campus
5 based programs, and just simplify it. Base it on how
6 many Pell Grant students they're actually serving.
7 That tells you the number and the percentage of low
8 income students they're actually serving; it has nothing
9 to do with what they used to get or what a base allocation
10 is, or what the cost of the institution is. I think
11 perhaps it's the most perverse sort of educational
12 funding that you could put in play is to base it on what
13 a school charges, that therefore they get more, instead
14 of who the actual institution is serving.
15 COMMISSIONER ACHTENBERG: Thank you. Go
16 ahead.
17 CHAIRMAN CASTRO: Doctor, this is Chairman
18 Castro; I have a couple of questions, and then my
19 Commissioners Kladney and Narasaki will follow me with
20 their questions.
21 DR. ALEXANDER: Certainly.
22 CHAIRMAN CASTRO: You mentioned the
23 Plymouth Rock syndrome, and that reminded me of what
24 Malcolm X had said about, you know, "we didn't land on
25 Plymouth Rock, it landed on us," and then I keep thinking

1 that it continues to land on us, especially when you
2 talk about the issue of these for profit colleges and
3 universities. My senator, Dick Durbin, has been a
4 champion of pointing out the challenges and the pitfalls
5 that they present to students, particularly students
6 of color and low income students. Could you talk a
7 little bit more about that, and you mentioned that many
8 of the students end up with defaults and heavy debt;
9 it's my understanding as well that some of these students
10 can't even transfer some of the credits they got at these
11 schools, and therefore their "education" there is
12 virtually useless because they cannot use it elsewhere,
13 and also they've used up most of their financial aid
14 with some of these for profit colleges. Could you talk
15 a little bit more about that?
16 DR. ALEXANDER: Certainly, and the Demos
17 report that I mentioned in my statement shows that as
18 states have backed out of their responsibility, and as
19 for profit--at the same time, many for profit
20 institutions have jumped into the fray, the feeding
21 frenzy on low income students has been quite
22 extraordinary to the extent that our African-American
23 and Latino students are ending up with the greatest
24 amount of debt, with the least amount of degrees, and
25 this--it's sort of a--it's a vulture mentality, that

1 they're playing on many of these low income students.
2 They're also playing on our veterans, and Senator Durbin
3 is well aware of it, and he's done a very good job at
4 addressing these issues and starting to realize the
5 magnitude of the problem.
6 Many of our low income students are getting
7 sucked in based on convenience; they're taking out large
8 amounts of student loans, and they're ending up in the
9 greatest amount of debt compared to white students, and
10 these are primarily Latino and African-American
11 students disproportionately. So not only has the for
12 profit sector gone after these students, but they've
13 also gone after our veterans in the same way. We have
14 many of these students coming to us, and even veterans
15 coming to us saying we have lost all of our G.I. Bill
16 benefits from institutions that are giving us no degrees
17 or degrees that aren't worth anything, and I'll sue
18 Corinthian Colleges as an example.
19 Corinthian with millions of enrolled
20 students, now they have $1.3 billion worth of debt that
21 the Department of Education is trying to figure out how
22 to pick up because they went out of business. These
23 institutions are everywhere and they do not live and
24 die by the market, they live and die by federal direct
25 student aid. Phoenix's total revenues were $4.3

1 billion last year; 93 percent of all the revenues came
2 from the federal direct student aid system or the G.I.
3 Bill benefits, with little regard to finishing degrees,
4 with little regard to completion, with little regard
5 to what the degrees actually mean.
6 That's why we've been fighting to keep the
7 default mechanisms in place to keep these numbers to
8 actually force institutions who get student aid to admit
9 how much debt your students have. Unfortunately,
10 despite $170 billion federal financial aid system that's
11 in place, including tax credits and the direct student
12 aid system, our low income students still have a 10
13 percent chance of getting a baccalaureate degree. And
14 in addition to that, the likelihood of those students
15 graduating with more than average debt is much higher,
16 and the likelihood of them finishing without a degree
17 is much higher.
18 That's why we need to re-examine what we're
19 doing with the $170 billion and perhaps use that as
20 leverage, as we did with the stimulus package, as we
21 did with other forms of matching federal aid to
22 institutions who want to be accountable, that have the
23 low income populations, that unfortunately are not able
24 to spend as much as other institutions are to educate
25 these students.

1 CHAIRMAN CASTRO: Dr. Alexander, we're
2 going to at the end of this entire process, make some
3 findings and recommendations to the President and
4 Congress on this issue. What recommendation would you
5 give as a way to prevent some of these for profit colleges
6 from even being at the trough where they're doing what
7 they're doing as you've testified. Is there some way
8 that we can change their access to these funds or is
9 there a way to better police this?
10 DR. ALEXANDER: Well first of all, I would
11 point out that we're the only OECD country in the world
12 that gives public money to institutions like this, and
13 I get questioned by my colleagues from Australia to
14 Canada, that even questions the fact why are we giving
15 money to institutions that were just created last year
16 that accredit themselves. Number one, I would have--I
17 would actually give greater authority to the Department
18 of Education to oversee who gets accredited. And so the
19 accreditation bodies, 30 plus bodies out there are
20 accrediting anybody and everybody, which basically
21 allows federal funds, $170 billion, to flow to those
22 institutions. There has to be some sort of oversight
23 at the federal level on who gets this money, and there
24 isn't any oversight, and right now we've been in a fight
25 to try to create some degree of oversight through default

1 percentages and others, but why are we the only OECD
2 country in the world that insists that the federal
3 government, even though it's the major revenue supplier
4 to higher education, has no say in where the money goes?
5 I think the federal government has every
6 right. States only spend $75 billion now, they're down
7 to $75 billion, so the federal government is spending
8 two and a half times, through their programs, for higher
9 education, and they have no control over who gets it.
10 So I would say first of all, the federal government needs
11 to have greater oversight; they deserve that right since
12 the bulk of the revenues are coming. I would say number
13 two, the federal government needs to use its federal
14 funding, as I mentioned, as matching funds to states
15 to maintain the funding for higher education that
16 states are backing out of.
17 People ask me about the Tennessee free
18 community college plan. It's not the 75 percent of the
19 cost that the federal government is buying out for the
20 students that's so great for low income students in
21 Tennessee, it's the fact that they only get the 75
22 percent funding for the student--to make community
23 colleges free--if and only if Tennessee maintains its
24 funding effort to two and four year institutions. Once
25 Tennessee starts backing its money out, the federal

1 government backs its money out.
2 So there is matching federal funds to hold
3 states accountable, and this is a big fight because I
4 know folks in the Senate--and I'll be testifying next
5 week on this--I know folks in the Senate don't like any
6 more federal oversight of what states are doing, but
7 if the federal government does not support the Cal State
8 Long Beaches, the Cal State Dominguez Hills, the Trinity
9 University in Washington with 50 percent
10 African-American low income students, if the federal
11 government is not going to prioritize those institutions
12 and support them based on who they serve and whether
13 or not they're affordable or not, then we're not going
14 to have affordable public institutions in the starting
15 in the next 10 years, because that's when Colorado is
16 the first state to drop off the map.
17 So I would say that--two things. The
18 federal government needs to leverage its resources to
19 force states to maintain their state effort for keeping
20 institutions affordable, and that opens the door for
21 low income students and always has. And the second
22 thing is that the federal government has every right
23 in the world, which is what the whole ratings system
24 was developed to try to do, was to help parents and
25 students know whether the University of the United

1 States of America, which sits in an industrial park in
2 Long Beach, was any good or not, whether their students
3 end up in massive default or not, whether they get
4 degrees where they can get a job or not. These are all
5 the reasons why the federal ratings system has been
6 discussed for six years, that we need to do a better
7 job of holding institutions accountable, but we also
8 need to do a better job at holding states accountable
9 so they don't abandon their low income population at
10 their low cost affordable public universities, like the
11 Cal State University system.
12 CHAIRMAN CASTRO: Thank you, Doctor. I'm
13 going to give the floor now to Commissioner Kladney.
14 COMMISSIONER KLADNEY: Dr. Alexander,
15 thank you very much for all this good information, but
16 I would ask you if you could provide us a proposed
17 formula that you think--I mean, you made
18 recommendations, but as far as the entire formula goes,
19 to provide us a draft of that or several different kinds
20 of proposals that we could look at, I would appreciate
21 that.
22 DR. ALEXANDER: Okay. I certainly can
23 do--I can do that, and the easy part of this is instead
24 of basing SEOG's formula on what it used to, base it
25 on what Pell Grants do, because Pell Grants are based

1 on student income, and they follow the low income
2 students, and currently, we've being fighting to get
3 SEOG and the campus based formulas to follow where the
4 bulk of the low income students really are. So I will
5 certainly--
6 COMMISSIONER KLADNEY: Okay, and then my
7 second question is--this is pretty interesting because
8 you were speaking about graduation rates, and I got the
9 impression that you were thinking about tying graduation
10 rates to funding and this and that. On the other hand,
11 there are public universities and universities of
12 color--I went to a public university that has a low
13 graduation rate, not 11 percent, mind you, but under
14 50 percent, and I was wondering if it would be a good
15 idea to cap the funding after five years and changing
16 the formula to performance and graduation rates,
17 something like that.
18 DR. ALEXANDER: Well, I'm not a big fan of
19 rates because everybody knows you can improve your rate
20 by just turning away as many low income students as
21 possible. And what matters, what drives the economies
22 are --if you could improve your rate at the time as you
23 can maintain your low income access, at the same time
24 you can maintain the number of graduates or increase
25 the number of graduates that you're putting into the

1 work force, then those three variables have to be
2 weighted equally. So if, even if we've got schools in
3 Louisiana with four percent graduation rates, with 90
4 percent Pell students. Well, if we can help them get
5 to where they're having a 25 percent graduation rate
6 without losing the Pell population, we need to make sure
7 we're measuring all of those equally.
8 I would say even more importantly , what
9 could be done at the federal level, not necessarily about
10 the performance side of this, but something that exists
11 today is--which is completely opposite of what we do
12 in K-12 schools, that if we had a 20 percent threshold
13 that said that in order to get campus based aid, you
14 have to have 20 percent Pell eligibility to receive it,
15 this is another recommendation that would change the
16 dynamics, because it would create the first incentive
17 for basically rich institutions to start serving more
18 low income students. Right now, it's kind of like going
19 to New Trier or Naperville outside Chicago. We don't
20 give Title I funds to the richest school districts in
21 the country because they don't have enough free lunch
22 students, but we give all this campus based aid to
23 institutions that have no threshold, none whatsoever,
24 on how many low income students they serve.
25 So if we were to create, even outside of

1 the graduation rate, but the federal programs which
2 support and re-incentivize, create an incentive for
3 institutions to at least serve 20 percent low income
4 populations, I think that might get institutions more
5 interested in serving minority, low income,
6 underrepresented students. We don't give Title I ESEA
7 funds to the richest schools in the country; there's
8 a reason for that.
9 COMMISSIONER KLADNEY: Right. And
10 you--but you mentioned in your answer about the four
11 percent graduation rate to a 20 percent graduation--I
12 mean, I am concerned about graduation rates, because
13 I've seen schools with six-year graduation rates in the
14 low 40 percents, and that surprises me because here we
15 have experts and Ph.D.s in education holding themselves
16 out as educators, being able to get students through
17 college, and they're getting paid high and they get all
18 these benefits; then you mentioned improving that rate
19 to 20 percent. I mean, is that way to--is that a variable
20 that can be in your equation?
21 DR. ALEXANDER: Well it could be. You
22 know, I think most--the institutions with the four
23 percent graduation rates and the 10 percent rates are
24 one or the other. They're the poorest public
25 universities or colleges in the country, number one,

1 or they're for profit institutions that don't really
2 care if they graduate, number two. Those are two
3 different dynamics and distinctions. The states need
4 to put pressure, and the federal government through
5 these programs could indeed put pressure on states to
6 ensure that they are improving on their graduation rates
7 and the numbers of students they graduate. It's more
8 of a delicate measure, because I think that, for example,
9 what we're able to do at Long Beach was --and we measured
10 this carefully--but with 50 percent Pell students coming
11 from 80 percent Title I schools, we were able to get
12 our graduation rate from 40 percent to 60 percent, and
13 we spent about $12,000 per student, which is among the
14 lowest per student spending in the country of
15 universities.
16 It's getting that rate up and getting--is
17 a complicated and complex approach that involves
18 everybody on the campus. Certainly we--in Louisiana,
19 there is a debate about whether you close an institution
20 that has a four percent graduation rate--and that's the
21 Southern of New Orleans-- or do you merge it. There is
22 pressure on them from the states to get their rates up,
23 and 32 states have performance-based funding schemes
24 that tie their rates to funding. It could be mentioned
25 at the federal level; I think the most important dollars

1 that could be used and leverage that could be used at
2 the federal level is to get the wealthy institutions
3 in this country turned around and start serving more
4 low income students. And that's the flagships, that's
5 the research, public universities, because right now,
6 there is a mad rush to out-of-state students to fund
7 the higher education systems of our states. That is
8 where the bulk of our low income student population is.
9 They're in the community colleges, they're in our other
10 public regional universities, and there's still some
11 flagships that are committed, like the UCs, that are
12 committed with 30 percent and above Pell students.
13 But without any threshold being set by the
14 federal government say that you must serve this amount
15 to get these campus based funds, we're still going to
16 give Duke twice as much money in work study than we're
17 giving to Cal State Fullerton or Texas El Paso, which
18 is 80 percent minority students and 60 percent Pell
19 eligible population.
20 COMMISSIONER KLADNEY: Thank you so much,
21 Doctor, and I appreciate it. Hopefully you can give us
22 those formulas, written formulas.
23 DR. ALEXANDER: I certainly will.
24 CHAIRMAN CASTRO: Okay, we're going to move
25 on to Commissioner Narasaki, then the Vice-Chair, and

1 since we're already over time, I'll give Commissioner
2 Yaki the last question.
3 COMMISSIONER NARASAKI: Thank you Mr.
4 Chair. Sir, I have a couple of questions. One is that
5 despite the fact that, as you lay out, the elite schools
6 and flagship schools who are, you argue, get a
7 disproportionate amount of funding from low income,
8 given how many students are enrolling. So how do we get
9 them to serve more low income students in their states?
10 President Obama has proposed a Pell bonus for colleges
11 that enroll and graduate low and moderate income
12 students; is that something that you agree with, or do
13 you have alternative proposals? And why is it that the
14 Ivy League schools are not enrolling more, even though
15 they're getting a lion's share of support? What would
16 you do to get them to increase their service?
17 DR. ALEXANDER: Number one, I think that
18 you need to fund the schools that are committed, that
19 show their commitment, much like we do in Title I with
20 K-12 schools. The Ivy League are the richest
21 universities in the world and have the smallest
22 percentage of low income students in the country. And
23 so I think one reason they do that is because--and one
24 reason we worked on a federal ratings system is because
25 they pay attention to U.S. New and World Report and the

1 affluent ranking systems.

2 The affluent ranking systems in the United
3 States, first of all, rank institutions based on many
4 kids they turn away, not how many students they educate,
5 number one. Number two, they rank them on how much money
6 is spent per student, which ultimately disadvantages
7 every public university because they have scale. If you
8 spend the most amount of money on the fewest amount of
9 students, you rank extremely well. Thirdly, low income
10 students drive your score down in these ranking systems.
11 Low income students, they hurt your selectivity index,
12 they hurt your graduation rate, which is 20 percent of
13 the score, and they hurt multiple measures that puts
14 you at--instead of being third in the country on these
15 rating systems, you drop to 12th. That's what they've
16 been paying attention to closely.

17 The federal ratings system was being put
18 together as a counter proposal to get better information
19 in the hands of parents and students, to reward
20 institutions who are serving and graduating low income
21 populations. So I support the fact that--the Cal State
22 university system was the first system in the country
23 to not only make it available, but we to this day, as
24 we do at LSU now, we list how many Pell students we serve
25 and what percentage of those Pell students actually

1 graduate as a percentage of the graduating class. In
2 addition to that, how many of those graduating students
3 are African-American, how many of those graduating
4 students are Latino, how many of those graduating
5 students are female, how many of those graduating
6 students are Asian-American.
7 This is an accountability issue that
8 needs--what should have happened is that the federal
9 government should have grasped on to what the Cal State
10 University System did, and forced everybody to admit
11 this information. We could not--it was in 2005 and '06
12 that we had to get federally legislated through the
13 Reauthorization of Higher Education Act just to get
14 those very schools to admit how many students graduate
15 with debt, and what kind of debt are they graduating
16 with. So the counter-proposals that are--the proposals
17 that are out there are indeed good ones; we need to reward
18 the schools that are serving the highest cost students
19 the best, and then make them the role models of where
20 these funds ought to be going to; not Duke and not
21 Harvard. They're not role models for any of us to
22 follow. The role models are Texas El Paso; the role
23 models are Cal State Long Beach. Those are the role
24 models that should be getting more funding than Duke
25 does, and that's the perverse incentive that's set up

1 in this structure.

2 So I would say why are they not serving low

3 income students? Well, because their rankings will go

4 down if they do, and my question is why don't we put

5 a federal threshold in place, like we have with Title

6 I schools? And if for those schools that are

7 at--Washington University in St. Louis, one of the

8 wealthiest universities in the world, has seven percent

9 Pell.

10 COMMISSIONER NARASAKI: So let me ask you--

11 DR. ALEXANDER: Why don't we tell

12 Washington University that you cannot get--

13 COMMISSIONER NARASAKI: --right, so--

14 DR. ALEXANDER: --SEOG or campus based

15 funds?

16 COMMISSIONER NARASAKI: So it sounds like

17 one of the things you might support is an alternative

18 ranking system to what the magazines put out that would

19 help provide incentive for some of these colleges to

20 do better. I also wanted to ask, some say--some of our

21 witnesses are going to be saying today that some federal

22 funding needs to be directed to institutions directly

23 rather than through students to help them provide

24 greater support for the students who need help. There's

25 a lot of testimony about the fact that many students

1 are going to schools not fully prepared for a college
2 load, or because they have complicated family
3 situations, might need more counseling or help in
4 identifying funding streams and things like that. So
5 where do you stand on that issue?
6 DR. ALEXANDER: I think that is a critical
7 question, and the fact of the matter is I'd like to take
8 us back to 1972. In 1972, because private higher
9 education wanted the voucher system, the market based
10 system, public higher education wanted institutional
11 support to help the low income populations that they
12 served. Public higher education lost the argument in
13 1972, and went into a free flowing voucher system that
14 has gotten so out of control that we have for profit
15 institutions in every industrial park in the country
16 now. Now, what was also passed as a compromise in 1972
17 was a program called the Cost of Education Allowances,
18 and this is why your question is so timely. The Cost
19 of Education Allowances were passed as a component or
20 a program that would take $2,500 and it would flow
21 directly to the institution that enrolled the Pell Grant
22 student.
23 So yes, that was actually passed by Congress
24 in 1972, but has never been funded. So it was supposed
25 to be a companion program that said if you take--which

1 also created an incentive for institutions to take low
2 income students instead of the disincentive of the cost
3 of remediation and all the other disincentives. But if
4 we simply went back to funding the Cost of Education
5 Allowances that were passed by Congress in 1972, that
6 sent $2,500 to every institution per Pell Grant student,
7 it would have tremendous effect in supporting the
8 student service programs, the counseling programs, the
9 advising programs, the remediation programs,
10 developmental education programs; we just never funded
11 it.
12 So we just assumed that these low income
13 kids, once they left their Title I schools, didn't have
14 any other institutional needs, and they were equal to
15 everybody else. We'll just give them tuition-based
16 money and let them flow into the universities, but we
17 never supported the institutions that admitted those
18 students, which would help Trinity, which would help
19 Berea College, who has 90 percent low income kids, which
20 would help Cal State Long Beaches and the Cal State
21 System immensely. Why don't we just do what we
22 authorized in 1972, and that would be the simplest remedy
23 to the question, which is a great question. I've asked
24 why haven't we done that? It's been 50 years.
25 CHAIRMAN CASTRO: Dr. Alexander, I'm going

1 to turn it over to our Vice Chair for a quick question,
2 and then Commissioner Yaki will follow with the last
3 question.
4 VICE CHAIR TIMMONS-GOODSON: Thank you
5 very much, Mr. Chair. Dr. Alexander, first let me
6 commend you on that wonderful history of the funding
7 of higher education, I found it especially enlightening
8 and I'm sure some of my colleagues do as well. You have
9 made the point that the federal government is in fact
10 the major supplier of higher education, specifically
11 supplying some $75 billion annually, and that
12 represents some two and a half times what states are
13 putting in. You've advocated that the--we ought to go
14 to a matching funds model, where I assume the federal
15 government would tie its support to state institutions
16 to the amount of money, under some formula, that they
17 put in. It's sounds like a great notion to me. I was
18 wondering though what is the--what are some of the
19 arguments that you have heard in opposition to such a
20 thing?
21 DR. ALEXANDER: Well the primary argument
22 comes from Senator Alexander in Tennessee. He says he's
23 a states' rights guy. And I asked him point blank--and
24 I'll be testifying next week to his committee, the Health
25 Committee on the Senate side--I've asked him do states

1 have a right to get out of their public higher education
2 obligation. Is that a right? And do they have a right
3 to accept federal money while they're doing it? And I'm
4 still waiting for a good answer. The beauty--a couple
5 of examples of history have proven very effective. SSIG
6 was created in 1972 to get states--to create state
7 student aid programs. Within 10 years, about 15 states
8 grew to 40 states that had federal matching funds that
9 created state student aid programs, that's your TAFT
10 program in New York, your MAP program, your CAL grants
11 in California. They weren't created prior to federal
12 leverage and federal matching funds.
13 The second best example is in the stimulus
14 packages. The three stimulus packages that we put into
15 effect, you could only take education funds in the
16 stimulus packages if and only if states did not cut their
17 budgets below the 2006 funding level. Now, we had 48
18 governors against us on this, and it passed in conference
19 by one vote, and once that language went into the
20 stimulus packages, 20 states within six months cut their
21 funding levels to the very threshold before the federal
22 government told them to stop. Even Senator
23 Alexander--and I reminded him of this--Tennessee at that
24 time, even though he hates more federal leverage,
25 Tennessee had a $1.1 billion higher education fund that

1 they funded public higher education with. Tennessee
2 cut their funding to within $13 of where the federal
3 leverage kicked in to penalize Tennessee.
4 Federal matching funds, federal leverage
5 works, and it has been proven time and time again that
6 it works. I'm just puzzled why we assume that higher
7 education, unlike highways, unlike Medicaid, unlike the
8 next generation of students that need higher education,
9 why aren't we tying federal leverage and matching funds
10 to the states and holding states accountable as well.
11 It works, it's proven to work, and I know who's against
12 it; all the governors. The NGA is against it, Senator
13 Alexander is against it because he doesn't like the other
14 federal leverage that's in place.
15 CHAIRMAN CASTRO: Dr. Alexander, I'm going
16 to turn it over to Commissioner Yaki for the final
17 question. Commissioner?
18 DR. ALEXANDER: Okay.
19 COMMISSIONER YAKI: Thank you very much,
20 Dr. Alexander. A quick question. What would--just to
21 play devil's advocate, what would be the response of
22 a Harvard or a Duke to what you say here today? What
23 do they traditionally say back to you with regard to
24 your accusations that they are receiving
25 disproportionate funds and--but do a

1 disproportionately less number of disadvantaged
2 students as part of their classes?
3 DR. ALEXANDER: I would ask why aren't they
4 serving twice as many low income students; they already
5 spend--
6 COMMISSIONER YAKI: I'm sorry; my question
7 is more what is their traditional response to you when
8 you make these statements? How do they--maybe you can't
9 state how they defend themselves, but I'm curious as
10 to how--what they do say. Is it because the students
11 that they do admit have such a large disparate economic
12 disadvantage that they have to put disproportionate
13 resources to those individual students, so the cost per
14 student is that much greater, or what is that they--how
15 they justify the position they're in vis-a-vis your
16 university or a Cal State Long Beach?
17 DR. ALEXANDER: Well, you know, first of
18 all, I would point out that a history class at Cal State
19 Long Beach doesn't cost any more than a history class
20 at Harvard; they just choose to pay their people three
21 times as much, number one. Number two, I would question
22 the fact that they have $40 billion in the bank and why
23 don't they have twice as many low income students, of
24 which they've committed to doing in 1972, because that
25 was their promise that they would make themselves more

1 accessible and they would control their costs better
2 having been able to get federal funds. Their argument
3 to me is that nothing should change, the money should
4 follow the student and that the institution should not
5 be held accountable based on federal regulations that
6 question whether or not they're serving enough low
7 income students or not.
8 They don't want anything to change, and in
9 fact, they've lobbied against using federal leverage
10 to encourage states to keep colleges affordable, because
11 that allows them to increase their costs more readily
12 when we look and act more like private institutions.
13 So they have won in the first 50 years of the Higher
14 Education Act. They've won in per student spending,
15 they've won in salaries, they've won in rankings. The
16 question is what are we going to do in the next 50 years
17 to salvage public higher education universities and
18 colleges? Now they don't care quite frankly what
19 happens to UMass Amherst. They really don't' care what
20 happens to Louisiana State or Cal State Long Beach, as
21 long as they rank better, because they're the winners
22 in this, and that's why they lobby--that's why they're
23 on the opposite side of the table.
24 They don't want a 20 percent threshold in
25 low income students, and quite frankly the reason I set

1 my recommendation at setting a threshold at 20 percent
2 is because it is primarily the richest publics and the
3 richest privates in the country that have less than 20
4 percent. And why don't we create incentives to force
5 those institutions, if they're going to enjoy public
6 funds, incentivize those institutions to be more public.
7 I've argued with--they've been on the opposite side of
8 the table with me every time we try to change any of
9 this.
10 CHAIRMAN CASTRO: Thank you very much.
11 DR. ALEXANDER: One reason SEOG works like
12 it does, one reason the campus based funds work as they
13 do is because of Harvard's objection to changing the
14 way it works right now and how it's worked in the past.
15 CHAIRMAN CASTRO: Thank you very much, Dr.
16 Alexander. Are you done?
17 COMMISSIONER YAKI: Yes.
18 CHAIRMAN CASTRO: Doctor, thank you so much
19 for your presentation; I know we've gone a little the
20 time we said we would, but the information was extremely
21 important to us, so thank you. Any additional--
22 DR. ALEXANDER: I hope it helps.
23 CHAIRMAN CASTRO: It did, and you can
24 provide any additional information to us after that
25 fact, and we will now take a break until 1:00; we will

1 resume the panel with Panel number 2. We're adjourned
2 until 1:00.
3 DR. ALEXANDER: Thank you very much.
4 CHAIRMAN CASTRO: Thank you, Doctor.
5 (Whereupon, the meeting in the
6 above-entitled matter went off the record at 12:17 p.m.
7 and resumed 12:59 p.m.)
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3 **PANEL II**

4 **FEDERAL GOVERNMENT OFFICIALS**

5 (12:59 p.m.)

6 CHAIRMAN CASTRO: It's one o'clock, we'll
7 be calling the hearing back into order. I'm Marty
8 Castro, Chair of the Commission. For those panelists
9 who were not here earlier, I just want to briefly explain
10 the system of warning lights that are here. Every one
11 of you will have seven minutes to speak, after which
12 we will ask you a series of questions. That seven
13 minutes will be timed using this series of lights.
14 Green start; yellow you've got to wrap up in two minutes,
15 and then red of course stop; at that point I ask you
16 to stop and then we will try to pick up where you left
17 off when we ask you some questions. We've got a really
18 great panel for us this afternoon. I want to introduce
19 the panelists before I swear them in.

20 Our first panelist is Dr. Dan Weinberg with
21 the Census Bureau, our second panelist is Dr. John Gawalt
22 with the National Science Foundation, our third
23 panelist is Dr. Tashe Innis, who is also with the
24 National Science Foundation, I think you're on loan,
25 as I remember reading in your bio. And our fourth

1 panelist for the second panel of the day is Ms. Valeria
2 Carranza with the Congressional Hispanic Caucus. I
3 will now ask you to each raise your right hand and swear
4 or affirm that the information that you're about to
5 provide to us is true and accurate to the best of your
6 knowledge and belief; is that correct? Yes? Okay,
7 great. Dr. Weinberg, please proceed.
8 DR. WEINBERG: Thank you for inviting me to
9 present testimony today. One correction, I was with the
10 Census Bureau for 25 years, but retired last year. I'm
11 now a visiting scholar at Virginia Tech.
12 CHAIRMAN CASTRO: Thank you.
13 DR. WEINBERG: Maybe you got me under that
14 affiliation because I'm going to talk about data, that's
15 what the Census Bureau does. While I'm a visiting scholar
16 there, this is solely my own testimony. I'm going to
17 focus on the data sources that have the potential to
18 illuminate the possible civil rights impact that access
19 to and completion of higher education at four-year
20 flagship universities has on minority socioeconomic
21 mobility. As a prerequisite, I assume that the
22 Commission will settle on a definition of a flagship
23 university that could be applied uniformly throughout
24 the country, since as far as I know, no such official
25 definition exists.

1 To obtain useful research results about the
2 question at issue, that is how an individual's earnings
3 can change, one must focus on the characteristics of
4 those individuals and how they affect later outcomes.
5 A short list of factors that might affect socioeconomic
6 outcomes including individual characteristics,
7 parental characteristics, housing characteristics,
8 neighborhood characteristics, and school
9 characteristics.
10 COMMISSIONER KLADNEY: This is Dave.
11 CHAIRMAN CASTRO: Oh, thanks Commissioner.
12 We're already with witness testimony.
13 COMMISSIONER KLADNEY: Oh, I'm sorry.
14 Okay.
15 DR. WEINBERG: All these factors can play
16 a role, and it's unlikely that all of them will be present
17 on any one data set. The key data sets for comparing
18 cohorts of individuals over time are the long form of
19 the decennial censuses and the relatively new American
20 Community survey, a replacement for the long form begun
21 in 2005. In my written testimony, I presented an
22 example of earnings estimates published from the 2013
23 ACS, and principle one could tabulate the ublic use
24 micro data back to 1960 to estimate returns to education
25 for particular groups classified by age, but the micro

1 data does not identify the educational institutions
2 attended by the respondents, so that's pretty much a
3 dead end. However, the tabulations could provide a
4 useful baseline.
5 The most promising avenue to understand the
6 issues raised by the Commission is by using longitudinal
7 data; that is, data collected on the same individuals
8 at many points in time. If the data set had all the
9 information one would need, one could then compare
10 socioeconomic outcomes for minority individuals with
11 those from non-minority individuals with the same
12 background, such as those attending college or those
13 not attending college, and those attending four-year
14 flagship universities with those attending other
15 four-year institutions. A warning though, in any such
16 comparison, the analyst must pay particular attention
17 to issues of attrition and selection bias. In any
18 longitudinal survey, not all of those interviewed in
19 a prior year are willing to be interviewed again, and
20 people who attend college at all, or a flagship
21 university in particular, are different from the ones
22 who do not in ways that are potentially not accounted
23 for by the observed characteristics.
24 One particular survey worth noting is the
25 National Longitudinal Survey of Youth. The 1979 survey

1 was a nationally representative sample of over 12,000
2 young men and women born between 1957 and 1964. They
3 were interviewed annually through 1994; they were first
4 surveyed in 1979 and annually through 1994 and
5 biennially since then. The 1997 cohort of the NLSY
6 followed the lives of a sample of youth born between
7 1980 and 1984, interviewed of course first in 1997, and
8 they've been surveyed 15 times to date, and now are
9 interviewed biennially. This survey does include
10 questions about the respondents' high school and college
11 experiences, but the actual college attended is probably
12 known to the survey administrators; it's not part of
13 the public use data.
14 There is a series of national longitudinal
15 surveys done by the--excuse me--longitudinal surveys
16 done by the National Center for Education Statistics
17 that focuses on typically a high school class, high
18 school seniors, and follows for several years
19 thereafter. I'm going to skip in the interest of time,
20 skip a little more detail and explanation of those, but
21 it might be possible to use those surveys to understand
22 the early years of socioeconomic progress for minority
23 college students. There's also something called the
24 Baccalaureate and Beyond study they do, which takes a
25 sample of college seniors and follows them for several

1 years, and the internal files for that survey do identify
2 the colleges and universities.
3 And the final source of data to understand
4 the issue before the Commission is administrative
5 records, data created for another purpose that can be
6 assembled into a data base to examine your questions.
7 This approach is epitomized by the data systems
8 established under NCES' statewide longitudinal data
9 systems grant. One such system I'm somewhat familiar
10 with is the Virginia Longitudinal Data System, and the
11 State of Virginia has linked elementary, secondary and
12 post-secondary school information to earnings and
13 welfare receipt. Its major advantage for addressing
14 the issues the Commission is interested in is that all
15 of the colleges and universities attended are identified
16 in the public use data. So once again, once you come
17 up with a definition, you can look at those attendees
18 versus attendees at other universities. One key
19 drawback is that only residents of Virginia are tracked,
20 so the lack of full data on in and out migrants may bias
21 the results, but to the extent that findings of a study
22 focused on Virginians could be replicated in other
23 states, and there are 47 states with grants to create
24 such systems; such cross validation can give more
25 confidence in the findings.

1 In sum, this VLDS seems like the most
2 promising for immediate work since it contains
3 information on schooling as well as earnings data, and
4 is available via the Internet. Another route I would
5 recommend is that the Commission explore whether the
6 National Longitudinal Surveys of Youth can perhaps
7 create a new restricted use file that identifies
8 flagship universities in the sample. They've done this
9 for other users, the BLS is the sponsor, they've created
10 a geographically-limited restricted use file, and so
11 this is something worth investigating. Thank you for
12 your attention.
13 CHAIRMAN CASTRO: Thank you, Dr. Weinberg.
14 Dr. Gawalt, you're next.
15 MR. GAWALT: Yes, thank you. Thank you for
16 the invite.
17 CHAIRMAN CASTRO: You're welcome. Make
18 sure your mic is on.
19 MR. GAWALT: And because I guess we're
20 under oath here, for clarity, I do not hold a Ph.D.
21 Anyway, I'm John Gawalt, director of the National Center
22 for Science and Engineering Statistics. We are an
23 organization, an agency within the National Science
24 Foundation. We are one of the 13 principal statistical
25 agencies of the U.S. federal government.

1 COMMISSIONER YAKI: Could you move your mic
2 a little closer to you?
3 MR. GAWALT: Sure. And we were
4 established really many years ago, but formally given
5 our name for the Competes Act of 2010, primarily
6 responsible for producing data analysis relevant to the
7 U.S. Science and Engineering counterparts. We do that
8 by collecting primary data, by engaging in activities
9 that promote the use of data, and by disseminating
10 information through a series of information products
11 and compiled reports and data files. Today I want to
12 talk about information we have in two of my reports;
13 I've made those available to you this afternoon. One
14 is Women, Minorities and Persons with Disabilities in
15 Science and Engineering, and the other is Doctorate
16 Recipients from U.S. Universities.
17 The Women, Minorities and Persons with
18 Disabilities in Science and Engineering report is
19 biennial, provides statistical information about the
20 participation of these groups in science and engineering
21 education and employment, and it's one of the signature
22 reports produced by my organization. It is mandated the
23 Science and Engineering Equal Opportunities Act, it is
24 produced biennially. We produce this formal report in
25 digest form, but also if you read it online, there are

1 numerous detailed tabulations with richer data that
2 support the findings in the report itself.
3 So, the representation of certain groups
4 in science and engineering education and employment
5 differs from the representation of the U.S. population
6 overall. That is to say that they are
7 disproportionately smaller and--I'm sorry, I'm off on
8 my notes. Blacks, Hispanics and American
9 Indians/Alaskan Natives are considered
10 underrepresented in science and engineering, and that
11 is they are disproportionately smaller percentage of
12 SME degree recipients that are employed scientists and
13 engineers in the U.S. population. Asians are also a
14 minority group that are considered to be
15 over-represented among SME degree recipients and those
16 employed in SME.
17 Those shares are rising proportionate on
18 represented minorities earning bachelor's and doctoral
19 degrees in science and engineering and non-science and
20 engineering field overall is lower than 30 percent. As
21 you can see from this chart, underrepresented minorities
22 earn just under 20 percent of the bachelor's degrees
23 awarded, and there's little difference between science
24 and engineering and non-science and engineering fields.
25 At the doctoral level, represented here by the dash line,

1 the proportions are lower, with the share of degrees
2 earned by underrepresented minorities in science and
3 engineering fields being well below than those in
4 non-science engineering fields.
5 I want to turn your attention to the
6 progress of minority women and men in science and
7 engineering degree awards. In this slide, the orange
8 lines correspond to the bachelor's level, and the green
9 line correspond to the doctoral level.
10 Underrepresented minority women are the solid lines,
11 and underrepresented minority men are the dashed lines.
12 You see the underrepresented minority women are a higher
13 proportionate of science and engineering bachelor's and
14 doctorates than underrepresented minority men and the
15 solid line is higher than the dash line at both degree
16 levels, and the gap is particularly large at the
17 bachelor's level. An interesting related finding here
18 is that, in the case of whites, we observe the opposite
19 pattern. White women earn a lower proportion of science
20 and engineering degrees than men at all degree levels.
21 In the case of Asians, we see that Asian women and men
22 similar proportions of SME degrees, and these figures
23 can be found in the Women and Minorities report.
24 Looking at trends, we can see the numbers
25 of all bachelor's degrees by minority group. You can

1 see the overall increase with the number of degrees
2 earned by Hispanics surpassing those earned by blacks
3 in 2012. The trend is similar for bachelor's degrees
4 in science and engineering fields, but the crossover
5 point occurs in 2009, a few years earlier, with the
6 bachelor's degrees overall.
7 In this slide, we see the proportion of
8 underrepresented minorities earning bachelor's degrees
9 in different SME fields. We see the proportions of
10 underrepresented minorities lower than 30 percent in
11 all broad fields, but they are highest in psychology
12 and the social sciences, followed by computer science
13 and increase faster in psychology and social science
14 than any other SME fields, with the proportion of
15 underrepresented minorities earning degrees in more
16 math-intensive fields is particularly low.
17 And previous slides should--to recap, this
18 slide shows the trend in shares of bachelor's degrees
19 earned by underrepresented minority groups, even though
20 the number of bachelor's degrees awarded to Hispanics
21 and blacks went up considerably in the last two decades,
22 the share of bachelor's degrees awarded to blacks has
23 held steady at around nine percent since about 2000,
24 while the share of SME bachelor's among Hispanics
25 continued to increase over the period.

1 Now I want to focus on information that we
2 have at the doctoral level; this information comes from
3 the report that you see here, which you also have a copy
4 of. Of the approximately 52,000 research doctor
5 degrees awarded at U.S. institutions, and in 2013
6 represents the highest number of degrees awarded--I'm
7 going to skip along here--and every year the number of
8 SME fields degrees exceeded the number of non-SME
9 fields. And participation in the doctoral education by
10 underrepresented minority groups who are U.S. citizens
11 or permanent residents is increasing as evidenced by
12 a 70 percent increase in the number of doctorates awarded
13 to blacks and African-Americans in the past 20 years
14 more than doubling the Hispanic or Latino doctorate
15 recipients. But the proportion of doctorates awarded
16 to blacks and African-Americans has risen from 4.5
17 percent to 6.4 percent in 2013; proportionately,
18 Hispanics from 3.4 to 6.3 in 2013.
19 Minority U.S. citizens and permanent
20 residents doctorate recipients of different racial and
21 ethnic backgrounds are more heavily represented in some
22 fields than in others as you can see from this chart.
23 An interesting bit of information you get from the survey
24 of our doctorates in this report is the pattern of
25 parental educational attainment, and you can see that

1 there is a difference between those underrepresented
2 minorities and other groups. Another source of data we
3 have is data we have on the workforce, and you can see
4 that of the science and engineering work force here,
5 and these are people who have been in the workforce for
6 about four decades, so we have a lot of older cohorts,
7 the proportion of blacks in SME occupations is lower
8 in proportion to the U.S. workforce overall.
9 And I wanted to wrap up with one last
10 reference to some of the data Dr. Weinberg had mentioned,
11 and that was the American Community Survey. It's a very
12 important survey, and some of you might want to look
13 at the data that comes from that survey done by the Census
14 Bureau. We added in 2009 a question on field of degrees,
15 and that will allow you to disambiguate to understand
16 who's a scientist and engineer and who's not in that
17 file, and therefore you can analyze the data and subset
18 the group that's of interest to you. So, looking at that
19 will be very helpful.
20 CHAIRMAN CASTRO: Thank you, Doctor. Dr.
21 Innis? I'm sorry, you're not a doctor. I know you said
22 that.
23 MR. GAWALT: That's all right, I'm fine.
24 Thank you.
25 DR. INNIS: Good afternoon, thank you so

1 much for the opportunity to present to you. I'm going
2 to take a different tactic; I'm actually going to talk
3 about a program that I work with at the National Science
4 Foundation which I think has helped to contribute to
5 the numbers, the successful numbers of students
6 underrepresented in STEM. I am a mathematician from
7 Spelman College, and I'm doing a rotation at the National
8 Science Foundation in the Education and Human Resources
9 Directorate. I work with the Louis Stokes Alliances for
10 Minority Participation. So, today I will talk to you
11 about the LSAMP Program and the different tracks, the
12 funding tracks that we have and the numbers that have
13 come out of LSAMP.
14 So LSAMP is a national program that was
15 established in 1991; every year, Congress supports the
16 continuation of the program. And the goal of LSAMP is
17 to significantly increase the numbers of students
18 historically underrepresented in STEM who successfully
19 complete high quality baccalaureate degree programs in
20 STEM. So when we say underrepresented students in STEM,
21 we're referring to African Americans, Hispanic
22 Americans, Native Americans, Pacific Islanders, Alaska
23 Natives. Those are our target groups, and our emphasis
24 is on transforming STEM education through innovative
25 recruitment and retention strategies and high quality

1 undergraduate experiences for these students.
2 Currently, we have 45 active alliances
3 across the nation, and that include alliances in Alaska,
4 Hawaii and Puerto Rico. Our alliances are
5 multi-institutional, so each alliance can be made up
6 of flagship universities, four-year institutions,
7 research one institutions, liberal arts colleges,
8 comprehensive colleges, so they are made up of a
9 multitude of institutions. And in our alliances are
10 over 600 institutions, so our program is far-reaching
11 across the nation. In terms of the results for our 45
12 active alliances across the nation, just in the
13 2013-2014 academic year, we had over 36,000
14 baccalaureate degrees that were earned by students
15 underrepresented in STEM. And if we look at the
16 statistics of LSAMP versus non-LSAMP students, we notice
17 that in terms of persistence and retention, we have
18 better statistics.
19 For LSAMP, 45 percent completed--excuse
20 me--65 percent pursue graduate degrees, whereas
21 non-LSAMP students only 45 percent pursued graduate
22 degrees. So our goal not only is to help our
23 institutions develop comprehensive programs to help
24 students of color earn baccalaureate degrees, we also
25 have another track in LSAMP called Bridge to the

1 Doctorate. Bridge to the Doctorate was established in
2 2003, and this is a program that is focused on funding
3 students for the first two years of their graduate
4 studies in STEM, and we have noticed that--if I can
5 remember correctly--a large percentage of the students
6 who earn baccalaureate degrees from LSAMP institutions
7 go on and receive at least a master's degree.
8 Another program that I want to talk about,
9 because there is a focus at the National Science
10 Foundation on Hispanic serving institutions, we have
11 another program called Bridge to the Baccalaureate,
12 that's another track in LSAMP. Bridge to the
13 Baccalaureate actually is an alliance of two-year
14 institutions or community colleges, and the goal for
15 B to B--that's what we call it, Bridge to the
16 Baccalaureate--the goal for B to B is actually to
17 increase the transfer rate of students underrepresented
18 in STEM, so four-year institutions in pursuit of a
19 four-year STEM degree, and that actually has been very
20 successful. I have one example in New Jersey, where we
21 have the Garden State LSAMP that's actually working with
22 the Northern New Jersey Bridge to the Baccalaureate,
23 and they have a nice partnership and collaboration.
24 I wanted to talk about, last but not least,
25 along with Bridge to the Baccalaureate and our

1 traditional alliances and Bridge to the Doctorate, not
2 just in LSAMP, but we have funding opportunities at the
3 National Science Foundation that has been advertised
4 in what we call Dear Colleague letters, and there are
5 two Dear Colleague letters that are currently out there
6 that are focused on two-year Hispanic serving
7 institutions, and it is to increase the capacity of these
8 institutions, to support the students to earn
9 baccalaureate degrees and then go on to four-year
10 institutions. LSAMP has been a very effective and
11 productive program, and I think that we will continue
12 to support the alliances so that they can support the
13 students so that we can have increased statistics for
14 these students underrepresented in STEM. Thank you.
15 CHAIRMAN CASTRO: Thank you. Ms.
16 Carranza?
17 MS. CARRANZA: Thank you. My name is
18 Valeria Carranza, and I'm the Executive Director of the
19 Congressional Hispanic Caucus. Thank you for the
20 opportunity to testify about the importance of federal
21 financial aid programs on minority-serving student
22 enrollment at bachelor degree granting colleges and
23 universities. I'm here to be just one voice for the
24 Latino communities across our country whose educational
25 success and livelihood are affected by these financial

1 aid programs. Can you all hear me?
2 CHAIRMAN CASTRO: I think your IPad wifi is
3 interfering with the microphone.
4 MS. CARRANZA: Oh, okay. As an ardent
5 education advocate, and most importantly as a first
6 generation college graduate, I am here to advocate and
7 support our federal financial aid programs. Looking at
8 me today, you wouldn't know that I'm the daughter of
9 Salvadoran immigrants who came to this country without
10 knowing English. My grandpa is illiterate; he doesn't
11 know how to read or write. My grandma had a second grade
12 education, and both my mom and dad had to drop out of
13 high school in order to raise me. My mom was 16 and my
14 dad was 17 years old when they had me. Growing up, my
15 parents both had two full-time jobs; my dad flipped
16 burgers at Tommy's and cleaned cars at Avis Rent-A-Car.
17 And in order to put food on the table, my mom delivered
18 the Los Angeles Times at three in the morning and stocked
19 shelves at Pick 'n Save.
20 Still, my family saved what little they
21 could in order to buy school supplies for my brother
22 and me. My mom would put our school uniforms and shoes
23 on layaway at Pick 'n Save so we could have one new outfit
24 a year, just like everybody else at our school. My
25 family has always valued education, but words like

1 "SATs" or "FAFSA" were not in their vocabulary. They
2 themselves had never applied to college, and had no idea
3 there were scholarships or financial aid for students
4 like me.
5 My story is not unique. It is the story of
6 many first generation students, Latino students and poor
7 students. According to the Higher Education Research
8 Institute at UCLA, median family income is $37,565 for
9 freshmen whose parents did not attend college.
10 Families whose parents did attend college have a median
11 income of $99,635. That's more than two and a half times
12 more a year than those families without a college degree.
13 The numbers are even worse at Ivy Leagues; according
14 to the Dean of Admissions and Financial Aid at Harvard,
15 more than half of Harvard's freshman class come from
16 families making over $125,000 a year. This includes 15
17 percent with incomes between $250,000 and $500,000, and
18 almost another 14 percent who make over half a million
19 dollars a year. In contrast, many of the 15 percent like
20 my family, who are first generation freshmen, earn under
21 $40,000.
22 Growing up, the only expectations of me were
23 one, don't get pregnant; and two, graduate from high
24 school. Even though I was at the top of my class with
25 honors in the Law and Government magnet program, a

1 college education seemed like a dream. A few years ago,
2 I traveled and participated in a sister cities program
3 with my local county government, to my family's native
4 country of El Salvador. In a high school classroom, we
5 asked students how many of them would like to go to
6 college. Not a single student raised their hand. We
7 rephrased the question; we're not asking how many of
8 you plan to go to college; how many of you dream or would
9 like to go to college? Still, not a single hand went
10 up. A student then volunteered the answer and said "Why
11 would we dream of going to college when we know the
12 reality is that we will not, we cannot afford it?"
13 This classroom and this student could have
14 easily been in the United States in one of the
15 congressional districts of our Congressional Hispanic
16 Caucus members. For Latino students, as with many
17 minority students, college costs and available
18 financial aid are among the most significant factors
19 that influence their decision to enroll in college. As
20 average tuition costs rise and financial aid amounts
21 decline, we run the risk of making access to higher
22 education an out of reach dream for low income students.
23 According to a college board report, almost
24 60 percent of undergraduate students receive some sort
25 of financial aid to help them pay for their education.

1 Department of Education data also shows us that a
2 decrease in portion of federal aid is distributed
3 according to need. IN recent years, low income students
4 received a lower share of grants for financial aid.
5 Given that many Latino students come from low income
6 families, the limited availability of financial aid,
7 the increase in costs of higher education both prohibit
8 Latino participation in higher education. The
9 implications of funding education at all levels are very
10 real. Latinos are the fastest growing demographic, and
11 it's projected that in 2050, we are going to make up
12 30 percent of the nation's population.
13 These aren't just statistics or projected
14 data; this is the future of our country. These are our
15 future teachers, researchers, explorers, innovators,
16 and leaders. Many of our CHC members are themselves the
17 first in their families to go college, and that's what
18 fuels them to keep fighting. Higher education further
19 empowers the nation's democracy by developing an
20 educated community who is better able to participate
21 in political and civic life. A work force that is both
22 highly educated and diverse strengthens our economy.
23 Higher education increases economic mobility and
24 reduces income inequality, and begins the process of
25 ending the cycle of generational poverty. I know this

1 through research and through my own personal story.
2 This is the story of so many of us. My
3 former high school has the highest number of students
4 in foster care and on probation in L.A. County. The area
5 is plagued by violence stemming from gangs; as a result,
6 Los Angeles has issued a city court ordered gang
7 injunction for the area. The median household income
8 is nearly $10,000 lower than the U.S. average. Many
9 students in low income areas like the one I grew up in
10 barely graduate or even make it out alive. That is the
11 importance of funding education, and most importantly,
12 financial aid programs and mentorship for these
13 students.
14 Students need to know that there are choices
15 and paths for them after high school, that there's a
16 path to building a better and more self-sufficient life
17 for themselves and their families. These students have
18 so much potential to be our future leaders. WE need to
19 invest now, not tomorrow or in the future, to have a
20 work force that reflects the America that we are. Thank
21 you.
22 CHAIRMAN CASTRO: Thank you Ms. Carranza.
23 Commissioner Achtenberg, do you want to lead off the
24 questions?
25 COMMISSIONER ACHTENBERG: Thank you Mr.

1 Chairman. I'd like to ask Ms. Carranza if you could talk
2 about the Reauthorization of the Higher Education Act
3 that is being considered now, and what kinds of changes,
4 if any, are being talked about that would result in the
5 federal funding more readily addressing the kinds of
6 priorities that you identified in your statement?
7 MS. CARRANZA: So this Congress, the
8 Congressional Hispanic Caucus has not reauthorized its
9 principles; however, last Congress we identified the
10 following six priorities within HEA. One, improve
11 college affordability; two, strengthen the capacity of
12 HBCUs and minority serving institutions; three, improve
13 education quality and student success by increasing
14 funding for first-year student retention and success
15 programs; four, promote college readiness for students
16 of color and disadvantaged students through programs
17 like GEAR UP, TRIO and HAPCAMP; five; increase the
18 recruitment and retention of teachers of color; six,
19 support access, participation and success for
20 undocumented youth.
21 COMMISSIONER ACHTENBERG: And is it the
22 view that if these were more extensive priorities for
23 the federal funding, that there would be movement,
24 positive movement in terms of numbers of low income and
25 minority students who would be better prepared to enter

1 the university, more likely to be retained, and more
2 likely to achieve the baccalaureate? Is that the sense
3 of your members that these priorities might yield some
4 progress on that score?
5 MS. CARRANZA: Yeah, these are preliminary
6 priorities based on last Congress, and I think as we
7 develop and also look forward to the outcome of all the
8 testimonies here today, we will also develop our
9 priorities for this Congress and keep pushing. But I
10 think this is at least a good snapshot of certain
11 priorities in funding that we believe will make some
12 kind of impact in low income communities. And you know
13 we saw something similar with the Elementary Secondary
14 Education Act earlier this Congress, when we were seeing
15 cuts, especially in low income areas, and when we talk
16 about low income areas, we're primarily talking about
17 black and brown communities. And in contrast, we were
18 seeing more funding in higher income areas, and so that's
19 kind of what it goes down to in both the K-12 but also
20 beyond that through higher education is funding for more
21 of these support systems.
22 COMMISSIONER ACHTENBERG: And might I ask
23 a question of Dr. Innis? You talked about some
24 promising programs, and that through these LSAMP
25 programs and partnerships, certain statistically

1 verifiable progress is being made. Could you be more
2 specific about some of the practices that you're
3 utilizing, and what the statistics tell us about the
4 success or failure of those practices?
5 DR. INNIS: Yes. Thank you for the
6 question. With LSAMP, we support alliances and
7 institutions and we allow them the flexibility to design
8 the program as they see fit based on their particular
9 institution or regional context. But what I can tell
10 you is that in 2006, the Urban Institute did an
11 evaluation of the LSAMP program and developed what we
12 call the LSAMP model. And there's certain elements in
13 the LSAMP model that a lot of our alliance institutions
14 implement that we think are effective or best practices.
15 These include summer bridge programs, sometimes with
16 a focus on math. Definitely scholarship support for
17 funding a college education, peer study groups,
18 undergraduate research experiences, peer mentoring,
19 attendance at conferences, internships, supplemental
20 instruction by students.
21 And so a lot of these are what we call our
22 retention strategies for LSAMP, and we found that they
23 really--it's creating a very cohesive cohort of students
24 that support each other, and then to have very committed
25 and dedicated faculty at the institutions that are

1 committed to the success of these students. And I'll
2 just tell you I gave the overall number in 2013-2014,
3 but if I were to break it down by race and ethnicity,
4 over 13,000 black or African American students earned
5 baccalaureate degrees in STEM; over 19,000 Hispanic or
6 Latino, over 1,100 Native Americans, over 500 Native
7 Hawaiian or Pacific Islanders, and we have 2,221 who
8 reported more than once race. And so these numbers are
9 based on the different strategies that are utilized at
10 the different alliance institutions.
11 COMMISSIONER ACHTENBERG: What
12 percentage--are there percentage increases that you
13 can--I mean, I understand those numbers in the
14 aggregate, but what kind of increase, if any, do those
15 numbers represent?
16 DR. INNIS: That's actually a very good
17 question. So when an alliance is funded for their first
18 five year grant period, they have to commit to doubling
19 their numbers over the five year period, and we have
20 alliances that have been in existence over 20 years.
21 And so what happens is in terms of the percentage
22 increase, they are significantly increasing the numbers
23 using these strategies.
24 COMMISSIONER ACHTENBERG: So we know these
25 strategies work, is that correct?

1 DR. INNIS: Yes.
2 COMMISSIONER ACHTENBERG: And how is this
3 funded? How is this initiative funded?
4 DR. INNIS: So LSAMP is a program at the
5 National Science Foundation, and we receive our
6 appropriations from Congress as part--so the President
7 presents his budget, and then Congress makes the
8 appropriations.
9 COMMISSIONER ACHTENBERG: Thank you very
10 much.
11 DR. INNIS: Thank you.
12 CHAIRMAN CASTRO: Commissioner Yaki?
13 COMMISSIONER YAKI: Thank you very much,
14 Mr. Chair. Just a personal note to Ms. Carranza, my wife
15 went to Dickinson as well. But this is for Ms. Innis,
16 and actually I'm going to go a little bit off your
17 testimony a little bit, simply because you mentioned
18 that you are a mathematician, which of course just
19 boggles my mind. I can barely add two plus two, but
20 that's why I'm in politics. You talked about Spelman
21 College, and one of the things I think has interested
22 me, and I was listening to a report the other day about
23 the state of enrollment in HBCUs in general, if you can
24 just talk a little about the importance of HBCUs and
25 the need for continued federal support for that as also

1 a way of ensuring minority educational opportunities
2 and prospects in this country, I'd appreciate just your
3 overview as someone who's right there.
4 DR. INNIS: I appreciate that question,
5 thank you so much. And I should tell you that I'm
6 actually an alumna of an HBCU, Xavier University of
7 Louisiana. I am an applied mathematician; I was one of
8 the first African American women to receive a Ph.D. from
9 the University of Maryland College Park. I teach at an
10 HBCU and I am the product of an HBCU, and I know for
11 a fact that we not only prepare our students
12 academically, we prepare our students holistically. So
13 we prepare them to be leaders, to be civically engaged,
14 to be servants to their community, to be activists. And
15 so in terms of the importance of HBCUs, I have a
16 statistic. If you were to look at all of the
17 underrepresented people who have received doctorate
18 degrees in STEM, a large majority of them started off
19 at an HBCU and as the baccalaureate origin institution.
20 So if you were to look at the top 10 institutions that
21 were the baccalaureate origin institutions of all STEM
22 doctorates, I believe eight out of the 10 are HBCUs,
23 and Spelman College actually is number one on that list.
24 COMMISSIONER YAKI: Of course.
25 DR. INNIS: So I think it's vitally

1 important that continued funding for HBCUs because
2 students sometimes elect to go to an HBCU because of
3 the supportive and nurturing environment that are at
4 an HBCU, and given the fact that even though we only
5 make up a small percentage of the number of institutions,
6 we produce the largest number of students that earn
7 doctorate degrees in STEM, I think that we play a vital
8 role in producing students of color that get advanced
9 degrees in STEM.
10 COMMISSIONER YAKI: Thank you.
11 CHAIRMAN CASTRO: Earlier today on the
12 first panel, there was some discussion about for profit
13 universities and colleges and the impact that they have
14 on students of color particularly completing their
15 education or actually not, and then taking on some debt.
16 So I don't know if any of you have some thoughts on the
17 impact that that has had from the perches that you're
18 sitting at. No?
19 DR. INNIS: Well I don't want to be the only
20 one to speak, but I will. So with the non-profit, I don't
21 want to misspeak--
22 CHAIRMAN CASTRO: You mean the for-profit.
23 DR. INNIS: --the for-profit, I apologize,
24 I'm thinking Spelman. For the for-profit institutions,
25 a lot of our students elect to go there because they

1 feel like it affords more flexibility in terms of when
2 you can take courses and in terms of basically being
3 able to structure your pathway. And what I find is that
4 students who attend for profit, on the one hand, it's
5 good the flexibility, but on the other hand, there's
6 no pressure on the students to finish, and so sometimes
7 they may not finish and incur a lot of debt. What we
8 find with a lot of our students, and another reason why
9 we are focusing with the Bridge to Baccalaureate is that
10 a lot of our students of color start off in community
11 colleges. And we're hoping that with targeting some
12 funding for the two-year institutions, that will bring
13 some of the students--nothing against for-profit, but
14 that will bring some of the students to the two-year
15 institutions so that they would get more motivation to
16 complete their degrees.
17 CHAIRMAN CASTRO: Okay. Anybody else?
18 Yes Doctor--I mean Mister.
19 MR. GAWALT: Not to your question on
20 for-profits, but I do want to come back to this and the
21 topic of baccalaureate origins. That is a report that
22 we produce, so if the Commission is interested in that
23 report, those data come from the survey or earned
24 doctorates, because through that survey, we have the
25 baccalaureate tool, and so we can feed that together.

1 So we're happy to provide that report to you.
2 CHAIRMAN CASTRO: That would be
3 appreciated. Earlier as well, at the beginning of the
4 panel this morning, I talked about an instance that
5 happened to me when I was in high school, even though
6 I was an honors student, that my high school guidance
7 counselor encouraged me not to go to college, and I
8 mentioned how that--I shared that anecdote with some
9 U.S. senators in a group of Latino leaders a few years
10 ago, and that many of them in that room also had the
11 same experience, and as Dr. Flores will probably mention
12 when he comes up, he told me afterwards that the same
13 thing happened to him, very similar.
14 So clearly there's a pattern here, and more
15 often than not, race or ethnicity seems to play into
16 this. In particular, is there something that the
17 Congressional Hispanic Caucus has identified on this?
18 Is this an issue that you all have seen, and is this
19 going to be part of--could it possibly be part of one
20 of the priorities that you're going to be approaching?
21 And certainly anyone else who wants to address that.
22 MS. CARRANZA: It's an issue that a lot of
23 us have seen personally, including the chairwoman, and
24 myself as I mentioned in my testimony, the expectations
25 of me were one, don't get pregnant; and two, graduate

1 from high school. It wasn't go to college and graduate
2 from college. And you know where, for example, TRIO
3 programs and for me personally, mentorship, which is
4 a component to TRIO programs, plays a huge part in making
5 sure that low income students are treated just like any
6 other student. And I was lucky enough to have an English
7 teacher that believed in me and literally handed me a
8 scholarship brochure and said "you're going to college."
9 And that was one of the first times that an adult had
10 told me that I was college bound.
11 So again, the more we talk about it, the
12 more we identify that these are our stories, and the
13 more we also identify that it should be a priority to
14 invest in mentorship programs. And we also have the
15 Congressional Hispanic Caucus Institute, which I'm not
16 a part of or correlated with, but the Chair of the
17 Congressional Hispanic Caucus also chairs CHCI, and
18 that's a similar model there where you're literally
19 paying it forward and mentoring and fostering the talent
20 of tomorrow to make sure that they have the resources
21 they needed, but most importantly, they have an entire
22 support system saying you will succeed, you do have
23 options, the options go beyond your neighborhood, and
24 if it's community college or vocational school or
25 four-year, there are options. But you know, a lot of

1 that is on us to make that a priority and to go back
2 and make sure that it's not just data or statistics or
3 policy or words on a page, but we're actually doing
4 something about it.
5 CHAIRMAN CASTRO: All right. Dr. Innis,
6 do you have something you want to say?
7 DR. INNIS: Definitely. I'll put on my
8 LSAMP hat. So with our alliances, one of the great
9 things, even though they do not get direct funding to
10 support K-12 activities, a lot of our alliances, because
11 they have to develop innovative recruitment techniques,
12 actually do outreach to K through 12 schools. And when
13 students of color who are pursuing baccalaureate degrees
14 go to the K through 12 school, again, like was said,
15 there is motivation or encouragement to the students
16 to say okay, there's someone that looks me that's
17 actually in college, and so I can do it. So a lot of
18 our alliances do K through 12 outreach to help break,
19 you know, the trend of not encouraging students of color
20 to pursue college degrees.
21 CHAIRMAN CASTRO: Okay, thank you.
22 Any--Commissioner Narasaki?
23 COMMISSIONER NARASAKI: Thank you Mr.
24 Chair. I have two questions. One is that some of the
25 people who will be testifying sometime during the

1 hearing have taken the position that we don't really
2 need to actually increase the number of STEM graduates,
3 that in fact we have not only enough but a surplus, which
4 runs counter to most of what I've heard, so I would like
5 to get your response to that. And the second is that
6 we have someone testifying later, Richard Vedder, who
7 has taken the position that "and this unrealistic
8 promotion of college participation may now do minorities
9 more harm than good," with the basic premise that because
10 low income students, first of all low income students
11 don't need to go to college; and secondly, they may not
12 be able to survive because they're not sufficiently
13 prepared and there's a high risk because they will be
14 taking on debt for a school that they then can't actually
15 complete. So I'd like your responses to those.
16 MS. CARRANZA: I can take the first
17 question. So this congress, the Congressional Hispanic
18 Caucus has met with a number of tech companies; one of
19 them had a three percent Latino work force, and the other
20 one had a four percent Latino work force, and when we
21 asked them about their numbers, their answer was always
22 the same: we can't find them. They don't have STEM
23 degrees.
24 CHAIRMAN CASTRO: Anyone else? Ms. Innis?
25 Mr. Gawalt?

1 MR. GAWALT: I wanted to say to the first
2 question also, but I have to first say that as a
3 statistical office, we really stay away from policy and
4 policy questions; these are both pretty much policy
5 questions. But I do want to refer though to a very recent
6 report from the National Science Board, and my office
7 works very closely with the National Science Board in
8 development of the Science and Engineering Indicators
9 Report, and the Board customarily--and that's a very
10 policy-relevant but policy-neutral document, but very
11 thorough. The Board often to address policy issues will
12 issue things that we call--we refer to as companion
13 pieces. So they issued in the last month a companion
14 piece on this very topic, and so I would recommend that
15 that's how--you take that, I'm sure that's not the
16 conclusion that you'll see in the National Science
17 Board's report. And I'm referring to the numbers of
18 STEM graduates.
19 CHAIRMAN CASTRO: Anyone else?
20 COMMISSIONER HERIOT: Can you supply us
21 with that report, even though it's not your office but
22 it's still--it's quicker than us trying to get it.
23 MR. GAWALT: Absolutely. So I may, when I
24 get an appropriate contact to send you, emails, I mean--
25 COMMISSIONER HERIOT: That'll be fine.

1 CHAIRMAN CASTRO: Angela French-Bell from
2 our office will make sure that you connect with her.
3 Commissioner Kirsanow?
4 COMMISSIONER NARASAKI: Well, could I
5 ask--I don't feel like I really--
6 CHAIRMAN CASTRO: I'm sorry. Go ahead,
7 Commissioner Narasaki; I thought you were finished. No
8 go ahead, keep going.
9 COMMISSIONER NARASAKI: I just didn't
10 fully get the question answered that I was asking so
11 let me rephrase it. There are many stakeholders in this
12 debate who are basically arguing that we should not put
13 more money into financial aid, and that we should not
14 look through the lens of race. And one of the arguments
15 is that it's actually harmful to minority students to
16 hold out to them the promise that they should go to
17 college and that that in fact is a good path for them
18 to go. And I was wondering what your response is given
19 either your personal or professional viewpoints.
20 CHAIRMAN CASTRO: Go ahead.
21 DR. WEINBERG: I'll try a personal
22 response, not based on any institutional knowledge, but
23 it's true that while some of the Census Bureau data have
24 shown that people who go to college tend to earn more
25 than people who don't, there's a wide variation in that.

1 People who do very, very well in college, who perhaps
2 are in STEM education fields tend to do very well.
3 People who--I'll pick out my son, he's a smart guy who
4 went to Yale, which is probably one of your flagship
5 universities, but he majored in Studio Art and just in
6 case he couldn't get a job being an artist, he second
7 majored in English Literature. I said either one, he
8 could drive a taxi, but he's on Medicaid, he's not making
9 a lot of money. But is college right for him? I
10 couldn't say. There's a wide variation in skill,
11 ability and ability to learn from college education
12 across all races and ethnic groups.
13 So it certainly could be reasonable to be
14 said that too many people go to college, but I wouldn't
15 say that about minority individuals in particular or
16 it's people with relatively low skills who might be
17 better served by a vocational education. It may well
18 be too much emphasis on college, but it's certainly
19 not--we shouldn't discourage minority students by any
20 means.
21 CHAIRMAN CASTRO: Anyone else have a
22 response? Dr. Innis?
23 DR. INNIS: So I too will come from more of
24 a personal standpoint as a black woman with a STEM
25 degree. Back in September 2014, at the National

1 Hispanic Servant Institutions Week, President Obama
2 says "A nation can strengthen our economy and have the
3 highest proportion of college graduates in the world
4 by 2020, but achieving this goal will require us to
5 unlock the full talents and potential of every student."
6 And so in response to your question about should we not
7 encourage students of color to get college degrees, I
8 would emphatically say yes, we should encourage, and
9 no we should not not encourage them.
10 CHAIRMAN CASTRO: Discourage. We should
11 not discourage.
12 DR. INNIS: Thank you. And if you look at
13 statistics, we're not at parity in terms of looking at
14 the percentage of the population that students of color
15 or that people of color make in this country in terms
16 of the degrees that they earn, we're not quite at parity,
17 and another statistic--and my colleague at NSF probably
18 has this--but I want to say it's projected by 2050, we're
19 going to have so many new STEM-related jobs that we have
20 to encourage everyone to go and get degrees, especially
21 in STEMs, so that would be my personal response to that.
22 CHAIRMAN CASTRO: Commissioner Kirsanow,
23 followed by Commissioner Achtenberg.
24 COMMISSIONER KIRSANOW: Thank you, Mr.
25 Chair. Ms. Carranza, I should let you know that my

1 parents had two expectations of me, one was to graduate
2 from high school and not get pregnant, and I accomplished
3 both of them, and they're very proud of me. My question
4 is to Ms. Innis. Am I correct, you said that the LSAMP
5 program is designed or emphasizes STEM programs related
6 to Hispanic, black, Native American and Pacific
7 Islander; is that correct?
8 DR. INNIS: We have more.
9 African-American, Hispanic-Americans, American
10 Indians, Pacific Islanders, Alaska Natives; those are
11 the groups. I hope I--
12 COMMISSIONER KIRSANOW: What about other
13 Asian-Americans?
14 DR. INNIS: So essentially our target are
15 those that are underrepresented in the STEM fields, and
16 so we look at students of color that don't historically
17 earn STEM degrees or that are underrepresented in STEM.
18 So certain Asian groups, and I think one of my
19 co-presenters actually stated that one of the groups
20 is not actually underrepresented in STEM.
21 COMMISSIONER KIRSANOW: Has there been any
22 analysis as to why that group is not underrepresented
23 in STEM?
24 DR. INNIS: Not to my knowledge. I'm sure
25 there is, but I don't have firsthand knowledge of it.

1 CHAIRMAN CASTRO: Any other witnesses have
2 any--thank you.
3 COMMISSIONER NARASAKI: I can explain it to
4 you.
5 CHAIRMAN CASTRO: Go ahead.
6 COMMISSIONER NARASAKI: Well part of it is
7 because the Asian-American community population is
8 largely driven by immigration, and one of the
9 immigration categories that Asian-Americans rely on is
10 the H-1B category. So for many years, you've had a lot
11 of people coming from India, China and some other places
12 come here to go to graduate school, and then having
13 children who grow up in that context. That coupled with
14 the fact that for immigrant students, particularly from
15 Asia, from most of the subgroups like China, not so much
16 India, English language is a challenge, but math is not
17 a language-based issue, so Asian students have tended
18 to test better on the math side than on the English side
19 for that reason, because of the language barriers.
20 There are some Asian subgroups, like
21 Southeast Asians, who come in primarily because of
22 refugee streams, so many lack the education that streams
23 coming from China today or India have, who should be
24 looked at, and one of the things that we have said is
25 that the Asian community needs to be broken down into

1 their national origin pieces. But the issue right now
2 in high tech for Asians is not so much getting into the
3 jobs, but a recent report shows that the issue is the
4 glass ceiling for Asian-Americans in technology. They
5 get in, they get through the middle ranks, but they're
6 not making it to the most senior positions in the high
7 tech Silicon Valley companies.
8 CHAIRMAN CASTRO: Thank you. That was
9 actually very good. Dr. Weinberg?
10 DR. WEINBERG: Can I just add something to
11 what Commissioner Narasaki said, and that is, it is very
12 important to consider subgroups of both the Asian
13 population and the Hispanic population. I recently
14 completed a study with some colleagues of residential
15 segregation, looking at the suburbs. And for example,
16 Vietnamese would be differently racially segregated
17 than Japanese, for example, or Salvadorans versus
18 Dominicans. It's important to consider that, perhaps
19 for future programs, about--well, if you can get the
20 data on these perhaps underrepresented Asian subgroups
21 and Hispanic subgroups as well.
22 COMMISSIONER NARASAKI: And if I might add,
23 even for Japanese Americans and fourth generations like
24 myself, so when I was looking at college, my father,
25 who was an engineer at Boeing, told me--really pushed

1 me about going into engineering, because he said people,
2 when you're dealing with science and math, they can't
3 discriminate against you. It's harder because it's not
4 a subjective field, it's quantitative. Unfortunately
5 for him, math was not my strong suit.
6 CHAIRMAN CASTRO: Commissioner Kirsanow,
7 do you have any other questions?
8 COMMISSIONER KIRSANOW: No, sir.
9 CHAIRMAN CASTRO: Commissioner
10 Achtenberg?
11 COMMISSIONER ACHTENBERG: I'd like to ask
12 Dr. Weinberg if he could get more specific about how
13 it is the National Longitudinal Survey for youth could
14 be adjusted or augmented so that we might have better
15 statistics on economic and social mobility related to
16 the achievement of the baccalaureate degree.
17 DR. WEINBERG: I'd be glad to comment on
18 that. The National Survey, the National Longitudinal
19 Survey of Youth is funded by the federal government,
20 and but collected I believe by Ohio State University
21 and the National Opinion Research Corporation. But
22 they are required to keep the data confidential so that
23 people who use the data could not identify the
24 respondents in the survey. And for the most part, they
25 mask certain characteristics. So in other words, they

1 don't report precise geographic location of the
2 individuals in the survey.
3 But for some analyses, it's important to
4 know for example, neighborhood characteristics, how
5 neighborhood characteristics might affect certain
6 behaviors. So they created for people interested in
7 location, perhaps matching in data from the American
8 Community Survey on census track characteristics,
9 percent poor, percent unemployed, that sort of thing.
10 They created a restricted use data file which did
11 identify the geography and made that available to
12 researchers who were willing to sign a confidentiality
13 oath and protect the data.
14 Since the data collection agency does know
15 the college and university to which its respondents
16 attended, it seems to me that they might well be willing
17 to create a different kind of restrictive data use file
18 that researchers could use. They could, for example,
19 say two-year institution, four-year institution,
20 that's relatively straightforward, it's easy to code.
21 What they don't know is flagship university or college
22 or university, versus another university. I looked at
23 the National Center for Education statistics website,
24 and there is no formal definition of a flagship
25 university. Something that's been suggested is perhaps

1 a land grant university might be considered a flagship
2 university, but would you really include MIT, and not
3 Harvard as a flagship university simply because
4 Harvard's not a land grant university; it preceded the
5 land grant program. In Virginia, is--I think Virginia
6 Tech is a land grant university, but the University of
7 Virginia is not. It's hard to think of excluding the
8 University of Virginia.
9 So to create this restricted use file, you'd
10 have to define what a flagship university was, and I
11 don't envy you that task, because you know if you're
12 saying is Boston University a flagship university or
13 not? Is the University of Massachusetts at Amherst
14 flagship or not? You might even get some push back from
15 some universities, but that's the first step. Once that
16 definition is available, you could ask the Bureau of
17 Labor statistics to ask its data collection agency to
18 code the file into flagship, non-flagship; of course
19 they're going to ask you for money, it's not costless.
20 It shouldn't be too expensive, however, once you have
21 the definition. And then to set up a procedure for
22 making those data available for analysis in a restricted
23 environment. It's not going to happen overnight, but
24 it doesn't seem to me impossible to achieve given there's
25 already precedent for creating such files.

1 CHAIRMAN CASTRO: Any other questions,
2 Commissioners? I have a couple. Mr. Gawalt, your
3 slides earlier, I found it interesting that Latinos have
4 seemed to surpass African Americans in getting their
5 science and engineering degrees if I read that
6 correctly, as well as barely -- it's sort of been going
7 up and down I think with Hispanics and African-Americans
8 in terms of the doctorates, is that right? It looks
9 like--so it's page 15, slide 15 and slide 10.
10 MR. GAWALT: So, yes, these data do show
11 counts. And--
12 CHAIRMAN CASTRO: Do you know what's behind
13 that? Why is that happening?
14 MR. GAWALT: We really don't have
15 information that speaks to why, we have the numbers and
16 the characteristics of those who are earning degrees.
17 CHAIRMAN CASTRO: We don't know if there's
18 been some particular program or effort that's been
19 undertaken that's caused this to occur, or we're just
20 looking at what's happened, not why?
21 MR. GAWALT: We're looking at what's
22 happened and not why.
23 CHAIRMAN CASTRO: Okay. All right, any
24 other questions Commissioners? If not, I want to thank
25 this panel, we really appreciate all the information

1 that you shared with us, and I mentioned earlier today
2 that our record is open for 30 days if there's any
3 additional information you want to supplement, actually
4 you can see our Head of Office of Rights Evaluation,
5 Dr. French-Bell, and she'll make sure to coordinate with
6 you.
7 (Simultaneous speaking.)
8 CHAIRMAN CASTRO: So thank you very much.
9 DR. INNIS: Thank you.
10 CHAIRMAN CASTRO: We'll take a 15-minute
11 break.
12 (Whereupon, the above-entitled matter went
13 off the record at 2:03 p.m. and resumed at 2:49 p.m.)
14 CHAIRMAN CASTRO: It is now 2:49 p.m. and
15 we are back on the record for our briefing. I want to
16 thank the panelists for being here this afternoon.
17 We're starting a little earlier, because
18 we finished the last one earlier. So, I'm glad you're
19 all here.
20 You probably were not here earlier when I
21 explained the system of warning lights. I know, Mr.
22 Clegg, you've been here many times. So, you're an old
23 hat at this, but each of you will have seven minutes
24 to speak.
25 That will be timed by this series of lights.

1 Green, of course go. Yellow means you've got two
2 minutes left and start wrapping up.
3 When it's red, we ask you to stop and then
4 we will have a period of time where the commissioners
5 will be able to ask questions and you can probably do
6 some follow-up on whatever you might not have had the
7 opportunity to finish.

8 **PANEL III**

9 **SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE I**

10 CHAIRMAN CASTRO: Okay. So, I'm going to
11 introduce briefly each of you and then ask you to be
12 sworn.
13 Our first panelist is Mr. Fabian Pfeffer
14 from the University of Michigan. Our second panelist
15 is Mr. Roger Clegg with the Center for Equal Opportunity.
16 Our third panelist is Ms. Diana Elliott with
17 the Pew Trusts. Our fourth panelist is Dr. William
18 Flores with the University of Houston-Downtown
19 representing the Hispanic Association of Colleges and
20 Universities. And our fifth panelist is Ms. Deborah
21 Santiago who is with Excelencia in Education.
22 I'll ask you to raise your right hand and
23 be sworn that you swear or affirm that the information
24 that you're about to provide to us is true and accurate
25 to the best of your knowledge and belief; is that

1 correct?

2 GROUP RESPONSE: Yes.

3 CHAIRMAN CASTRO: Okay. Great.

4 Mr. Pfeffer.

5 MR. PFEFFER: Members of the Commission,
6 thank you for inviting me today to participate in this
7 panel.

8 I have been asked to talk about the factors
9 that explain increasing gaps in higher education and
10 what these gaps may mean in the long run in terms of
11 social mobility.

12 To do so, I'll report on my own recent and
13 ongoing research. I'm an assistant research professor
14 at the University of Michigan's Institute for Social
15 Research.

16 And I should note that I serve as a
17 co-investigator for the Panel and Study of Income
18 Dynamics, the PSID, which is one of the nation's
19 cornerstone datasets to address questions like those
20 we're addressing today and which provides most of the
21 data I'll report on. However, I do not speak on behalf
22 of the PSID or the University of Michigan.

23 Today, I'll report on new evidence on how
24 students' opportunities to attain higher education
25 increasingly depend on their parents' wealth and why.

1 And I'll discuss why the stagnating expansion of college
2 education will likely be hurtful for social mobility
3 levels in the future.
4 Educational research often analyzes
5 college students' socioeconomic backgrounds by
6 focusing on their parents' income or their parents' own
7 educational status.
8 I will argue that a refocus on parents and
9 wealth is important to capture growth in educational
10 gaps in particular when it comes to minority students.
11 Also, financial aid policy that does not
12 fully take into account family wealth is bound to be
13 ineffective in reducing socioeconomic and racial gaps
14 in college attainment.
15 So, to begin, let me define "family wealth"
16 or what is called "net worth." It is the total sum of
17 all assets and debts held by a family.
18 This includes financial assets such as
19 savings or money held in stocks, real assets such as
20 housing wealth or real estate and any financial
21 obligations such as mortgages or consumer debt.
22 Why is it important to relate students'
23 educational outcomes to their family's wealth rather
24 than just their income or their occupations?
25 First, wealth is distributed much more

1 unequally than any other socioeconomic resource
2 especially across racial and ethnic lines.
3 Second, these wealth gaps have grown
4 rapidly over the last few decades particularly since
5 the recession.
6 By some measure, wealth inequality has
7 nearly doubled in just the last ten years. And since
8 wealth losses during the recession were especially
9 pronounced among minority households, already large
10 ethnic and racial wealth gaps continued to increase.
11 By 2013, the typical white, non-Hispanic
12 household had a net worth of about $117,000. The
13 typical African-American family held nearly $1,700.
14 And the typical Hispanic family, $2,000 net worth.
15 In other words, the median net worth of
16 whites was nearly 60 to 70 times that of minority
17 households.
18 These large gaps in family wealth are
19 closely tied to children's educational outcomes. Of
20 children who grew up in the bottom 20 percent of the
21 wealth distribution, only 15 percent gain access to
22 college. And only about half of them, eight percent,
23 leave college with a Bachelor's degree.
24 In comparison, children from the top 20
25 percent of the wealth distribution, nearly half of them

1 access college, and virtually all of them also graduate
2 from college.
3 So, again, college graduation rates at the
4 bottom versus the top wealth quintile are eight percent
5 versus 48 percent, a 40 percentage point gap.
6 I should note that this relationship
7 between family wealth and educational success remains
8 strong even when taking into account other socioeconomic
9 and demographic characteristics of these families such
10 as their family structure or their income.
11 In fact, family wealth appears to be about
12 twice as important as family income in predicting the
13 likelihood of graduating from college.
14 Scholarly and public debate often focuses
15 on rising income gaps in educational outcomes. The
16 findings I just reported suggest that we should be
17 equally, if not even more, worried about growing wealth
18 gaps in education.
19 In my own ongoing work, I find that wealth
20 disparities in higher education have recently
21 intensified as children from the top net worth quintile
22 are becoming increasingly more likely to attain a
23 Bachelor's degree compared to their less wealthy
24 classmates.
25 In the course of just one decade, these

1 children have enjoyed a surge in their college
2 graduation probability by as much as 17 percentage
3 points.
4 Since all of you in this room are interested
5 in educational policy, I'm sure you can appreciate that
6 a 17 percentage point increase in college graduation
7 rates is a tremendous change.
8 The growth of family wealth at the top
9 appears to have been quite effective in fostering
10 college access and success for these children.
11 The jury is out to establish why exactly
12 parental wealth contributes to the educational success.
13 There is some evidence in favor of what some may consider
14 the intuitive explanation. Parental wealth makes
15 college financially accessible.
16 In addition, those who do gain access to
17 higher education despite low family wealth may be more
18 relying on student loans to finance their education.
19 And these students, especially minority students, are
20 more likely to leave college with or without a degree
21 with higher levels of student debt.
22 In my own work, I argue that family wealth
23 also appears to function as a private safety net. For
24 instance, students may consider parental wealth as a
25 form of insurance against college failure making them

1 more likely to decide in favor of college in the first
2 place.
3 The link between family wealth and
4 education ultimately also contributes to the
5 reproduction of wealth across generations.
6 As in the past, this intergenerational
7 persistence of wealth therefore contributes
8 significantly to today's racial inequality in many
9 spheres of social and economic well-being.
10 However, we also know that education serves
11 as an important contributor to help break the
12 intergenerational cycle of advantage or disadvantage,
13 which brings me to the final part of my presentation.
14 A recent study from a co-author and me
15 assessed the role of education in fostering social
16 mobility across the last hundred years in the U.S.
17 Perhaps unsurprisingly we find that the
18 expansion of college education over this period has
19 increased social mobility. However, what is most
20 interesting is how this positive affect of educational
21 expansion came to be.
22 We show that the growth of the
23 post-secondary sector has lacked the overall degree of
24 social inequality and educational attainment largely
25 unchanged.

1 Broader access to college does not
2 necessarily entail equal access to college. Yet,
3 educational expansion still had an important positive
4 impact on mobility.
5 For those who do attain a Bachelor's degree,
6 opportunities for further occupational success are
7 largely disconnected from their social origins. In
8 this sense, a college degree has been and still is a
9 great equalizer.
10 Unfortunately, the success at increasing
11 social mobility by educational expansion is one of the
12 past.
13 The United States has surrendered its
14 former leadership role in educational access and
15 educational expansion has slowly come to a halt.
16 The main mobility-enhancing effect of
17 increased educational access is therefore at stake.
18 And combine that with the just-presented evidence in
19 growing inequality in education especially tied to
20 parents' wealth and the future of the American dream
21 looks bleak indeed.
22 I thank you for your attention. I'm happy
23 to take your questions.
24 CHAIRMAN CASTRO: Mr. Clegg.
25 MR. CLEGG: Thank you very much, Mr.

1 Chairman.

2 CHAIRMAN CASTRO: Turn your mic on, please.

3 MR. CLEGG: I'm sorry.

4 CHAIRMAN CASTRO: There you go.

5 MR. CLEGG: Thank you very much, Mr.
6 Chairman, for the opportunity to testify today. My name
7 is Roger Clegg, and I am president and general counsel
8 of the Center for Equal Opportunity, a nonprofit
9 research and educational organization.

10 We do a great deal of work in the field of
11 higher education. And, in particular, with regard to
12 the use of racial preferences there. Much of our work
13 is posted on our website.

14 Many people may reason; A, you really need
15 a college education these days to succeed and at as
16 prestigious a school as possible; B, a disproportionate
17 number of minorities are not admitted to the top schools
18 or don't go to college at all, and; C, therefore, we
19 need laws and programs that target minorities for help
20 getting into college. Especially the top schools.

21 Now, today I'm not going to dispute that
22 having a college diploma can be a good thing. And a
23 college diploma from a more prestigious school can be
24 an even better thing. And so, if people of any color
25 are missing opportunities here, then that can be of

1 concern.
2 Nonetheless, there are some significant
3 caveats here and in my testimony today I will raise them.
4 My principal message is that it is a mistake
5 to look at this area mainly through a racial lens in
6 2015. The problems are not really about race and the
7 solutions will not be either.
8 If people are not going to the colleges they
9 ought to, this is a problem regardless of the skin color
10 of the people involved.
11 Before I get to my list of caveats, let me
12 make one preliminary point. I'm not an expert
13 demographer, but I would urge the Commission to be
14 careful in describing precisely to what extent there
15 actually are racial and ethnic disparities in education.
16 For example, the Pew Research Center has
17 recently noted that in 2012 Hispanic college enrollment
18 rate among 18 to 24-year-old high school graduates
19 surpassed that of whites. 49 percent, 47 percent.
20 Here are my specific caveats. First, you
21 don't have to have a college education to succeed in
22 life, let alone a diploma from a top college.
23 In any event, not everyone should go to
24 college, let alone a top college. I don't think that
25 many would disagree with this in principle, though there

1 are strong differences in opinion about the extent to
2 which these points are true. And I think that you're
3 going to be hearing other witnesses on that point.
4 My second caveat is that minorities are not
5 fungible. It is foolish to think that the problems here
6 are the same for African-Americans as for
7 Asian-Americans or for Arab-Americans as they are for
8 American Indians.
9 And Latinos present different issues, too,
10 and of course there are many different kinds of Latinos.
11 Puerto Ricans, Cuban-Americans, those with other
12 Caribbean or Central or South American ancestry,
13 Mexican-Americans.
14 And indeed there are also many different
15 kinds of African-Americans and Asian-Americans and
16 Arab-Americans and American Indians.
17 To make only the most obvious points, it
18 is much more likely that Asian-Americans are
19 discriminated against in ivy-league admissions than
20 African-Americans or Latinos are.
21 Conversely, whatever you think of giving
22 racial preferences to underrepresented minorities,
23 typically blacks, Latinos and Native Americans, no one
24 can deny that it is aggressively practiced by many
25 selective schools.

1 One last point here. Just as minorities
2 are not fungible, neither are non-minorities, i.e.,
3 non-Hispanic whites.
4 There are many white groups and subgroups
5 and many differences in wealth, culture, you name it,
6 among them and within them.
7 My third caveat is that if some students
8 are not going to college who should be, or are not going
9 to more selective schools who should be, then programs,
10 especially government-run or government-funded
11 programs that help identify them, and then help them
12 to go to college, should do so without regard to race
13 or ethnicity.
14 Poor people come in all colors. Diamonds
15 in the rough come in all colors. This nondiscrimination
16 principle is true not only as a matter of fairness, but
17 also as a matter of law, including constitutional law.
18 Fourth, the reason for the disproportions
19 among different racial and ethnic groups and subgroups
20 here in 2015 is likely not present discrimination or
21 even principally rooted in past discrimination.
22 Certainly there are many causes apart from
23 racial discrimination. Consider, for example, the fact
24 that Asian-Americans and Latinos have each been
25 discriminated against in our history, but the

1 educational outcomes in 2015 for the two groups are quite
2 different.
3 And, as noted earlier, there are many
4 subgroups within each group, which, in turn, also have
5 different educational outcomes.
6 Fifth, my fifth caveat is that the principal
7 reasons for the disproportions are instead cultural,
8 and that's not really a matter of civil rights.
9 In particular, some groups have higher
10 out-of-wedlock birthrates than others and it happens
11 that these same groups also frequently put lesser
12 premium on educational success than other groups.
13 Just briefly, more than seven out of ten
14 African-Americans now are born out of wedlock versus
15 B well, six out of ten American Indians are born out
16 of wedlock.
17 More than five out of ten Latinos are born
18 out of wedlock versus fewer than three out of ten
19 non-Hispanic whites. And fewer than two out of ten
20 Asian Pacific Islander-Americans.
21 Those are enormous disparities among the
22 different racial and ethnic groups. And whether or not
23 your parents are married when you were born makes an
24 enormous difference in likely social outcomes,
25 including educational outcomes.

1 It would actually be surprising if there
2 were no racial disparities in education given these
3 marked disparities in out-of-wedlock birthrates and the
4 high correlation between all kinds of social outcomes,
5 including educational outcomes, in growing up in a home
6 without a father.
7 I should note that there is also the problem
8 confronting many African-American children that
9 academic success is derided by their peers as "acting
10 white." A book by Stuart Buck with that title documents
11 this unfortunate phenomena.
12 I am strongly in favor of addressing these
13 cultural problems, but, again, it should be done in a
14 racially B it should not be done in a racially
15 discriminatory way. It should be done in a racially
16 nondiscriminatory way.
17 Out-of-wedlock birthrates, for example,
18 have been climbing for non-Hispanic whites, too, with
19 all the predictable and sad consequences.
20 There are plenty of non-Hispanic whites who
21 fail to recognize the value of education for their
22 children.
23 CHAIRMAN CASTRO: Your time is running out
24 B it's actually run out. So B
25 MR. CLEGG: Oh. Well, it never turned

1 yellow.

2 CHAIRMAN CASTRO: Yes. Just wrap up

3 there.

4 MR. CLEGG: Thank you. There are plenty of

5 non-Hispanic whites who fail to recognize the value of

6 education for their children and could learn from other

7 Americans, many of them racial or ethnic minorities,

8 about that value.

9 I had pointed in my testimony today to

10 aggregate data about different racial and ethnic groups,

11 but only to show that the reasons for educational

12 disparities are not about skin color or national origin,

13 per se, but instead about cultural habits.

14 And those cultural habits can be shared or

15 rejected by individuals regardless of race or ethnicity.

16 Thank you very much.

17 CHAIRMAN CASTRO: Ms. Elliott.

18 MS. ELLIOTT: Commissioners, thank you for

19 inviting me to testify today. My name is Diana Elliott,

20 and I manage the research on financial security and

21 mobility of the Pew Charitable Trusts.

22 Our goal is to provide a rigorous,

23 nonpartisan fact base about American families'

24 immediate financial security and their long-term

25 economic mobility.

1 In my testimony today, I will present Pew's
2 research on the persistent black/white mobility gap in
3 the United States and the power of a college degree to
4 minimize this gap.
5 I will then present findings from Pew's
6 recent survey of American family finances which show
7 how financially burdensome student loans are for many
8 black and Hispanic families.
9 Overall, a college degree is one of the
10 strongest drivers of upward mobility for families of
11 color, but the cost to pursue this degree may
12 counter-intuitively affect their financial security.
13 As a country, we believe it is possible for
14 someone to start poor, work hard and become rich. In
15 other words, to move up the ladder. But among all
16 Americans raised in the bottom fifth of the income or
17 wealth ladders as children, four in ten remain stuck
18 there in adulthood, too.
19 It is such stickiness at the bottom of the
20 economic ladder that gives Americans pause. It belies
21 the notion of equality of opportunity.
22 If we look at these same data by race, we
23 see this is especially the case for black children.
24 Half who are raised at the bottom of the income or wealth
25 ladder remain at the bottom as adults compared with just

1 one-third of similar whites.
2 Considering that over half of all black
3 adults were raised in the bottom fifth of the income
4 and wealth ladders as children, compared with just a
5 little over one in ten white adults, the data reveal
6 unequal opportunity.
7 In the United States, upward mobility from
8 the bottom is difficult, but for black Americans it is
9 especially challenging.
10 Over the years, Pew has uncovered that a
11 college degree is one of the most important drivers of
12 upward mobility.
13 Among Americans raised in the bottom of the
14 income ladder regardless of race, those who obtained
15 a college degree were over five times more likely to
16 move up a rung compared with those who also started at
17 the bottom and did not get a degree.
18 This finding is further demonstrated in
19 rates of upward mobility for black adults who attained
20 a college degree regardless of their family's
21 background.
22 In a Pew study, nearly all black
23 college-educated couples with children had higher
24 income than their parents at the same age and six in
25 ten moved up at least one rung on the income ladder.

1 All black college-educated single mothers
2 studied had higher income than their parents at the same
3 age, and 83 percent moved up at least one rung on the
4 ladder.
5 These findings reflect the considerable
6 power that a college degree has for moving today's
7 generation of black adults up the economic ladder, but
8 the path to such an education has obstacles especially
9 for those raised at the bottom.
10 Low-income families regardless of race
11 have extremely low savings, meaning they cannot make
12 the same extracurricular investments that more affluent
13 families make on behalf of their children.
14 Neighborhood poverty contributes to
15 stalled and even downward mobility for some, especially
16 affecting black children who more often live in
17 high-poverty neighborhoods.
18 Children from low-income families
19 regardless of race are less likely to both enroll in
20 two or four-year colleges and complete a degree when
21 compared with peers from higher-income families even
22 when equally prepared for college.
23 Taken altogether, these findings suggest
24 that black children especially those that start at the
25 bottom of the income and wealth ladders, face

1 considerable challenges with respect to economic
2 mobility. And a college degree improves these outcomes
3 in extraordinary ways, but the challenges do not end
4 with the receipt of a college degree.
5 Families of color feel more burdened by
6 their student loans. New data from Pew's recent survey
7 of American family finances reveal that young black
8 student debtholders have more loans and fewer
9 educational returns for this debt than their white
10 peers.
11 Looking at the youngest generations of
12 adults, or Generation X born 1965 to 1980, and
13 Millennials born 1981 to 1997, we see that 44 percent
14 of these younger black households reported owing money
15 toward student loans compared with just 35 percent of
16 similar white households. Both groups typically owing
17 $20,000 towards such debt.
18 Just one quarter of younger Hispanic
19 households had student loan debt typically owing
20 $15,000.
21 Despite the higher than average rate of
22 student loans held by younger black Americans, it is
23 not clear that this debt fully funded their human capital
24 investments.
25 38 percent of black Gen-Xers and Millenials

1 with student debt in their names owe for a degree they
2 did not complete, compared with just 26 percent of their
3 white peers.
4 Furthermore, they are less likely to owe
5 money toward more lucrative graduate degrees. Over
6 half of black and Hispanic Gen-X and Millennial student
7 loan borrowers do not yet have a Bachelor's degree
8 compared with four in ten white borrowers.
9 Most revealing, though, is the regret that
10 black and Hispanic student loan borrowers feel. Half
11 of black and Hispanic Gen-X and Millennials said they
12 would have found a different way to pay for school in
13 order to owe less money compared with just one-third
14 of white respondents who felt the same way.
15 What's more, only a quarter of Hispanic and
16 a fifth of black borrowers said they would do everything
17 the same with regard to their student loans compared
18 with 44 percent of white borrowers.
19 So, young black adults are over represented
20 among student loan borrowers, yet underrepresented
21 among groups realizing benefits from such debt.
22 Furthermore, the regret that they and
23 Hispanic borrowers feel about the debt they owe suggests
24 that student loans have been burdensome in their
25 financial lives.

1 As described in this testimony, a college
2 degree holds considerable potential for promoting
3 upward mobility from the bottom and helping to close
4 the black/white mobility gap. Yet, loan costs bear
5 heavily on young black adults in particular and are not
6 always helping fund the degrees they need to get ahead.
7 Creating a more equal college opportunity
8 structure would align with America's core beliefs in
9 what is special about our country that the talented and
10 hard-working among us should be able to realize their
11 full potential regardless of their family background
12 or race. Thank you.
13 CHAIRMAN CASTRO: Thank you, Ms. Elliott.
14 Dr. Flores.
15 DR. FLORES: Thank you. Let me put the
16 microphone on. I'm speaking not only for the Hispanic
17 Association of Colleges and Universities, I'm on their
18 executive board and their governing board as well, but
19 also as president of a university that is a
20 Spanish-serving institution.
21 We have B University Houston-Downtown has
22 14,500 students of which 42 percent are Hispanic and
23 28 percent are African-American. So, we look very much
24 like the state we serve.
25 HACU is one of the B as a professional higher

1 education organization is one of the fastest growing,
2 because Hispanics are increasingly going to college.
3 Where they are concentrated is in the
4 community colleges. So, the majority of our members are
5 still community colleges and four-year comprehensives
6 such as the University of Houston-Downtown.
7 To give you an idea, our member institutions
8 form 12 percent of the non-profit colleges and
9 universities in the United States.
10 We enroll 20 percent of all college students
11 in the United States, but 60 percent of all Latino
12 students. There are 2.69 million Hispanic students in
13 the United States.
14 Now, in Texas, 35 percent of all
15 undergraduates in Texas are Hispanic. And most of them
16 are in community colleges and four-year comprehensives.
17 Texas has, for example, 75
18 Hispanic-serving institutions. Another 47 are on the
19 verge of becoming HSIs. As they reach 25 percent of
20 their undergraduate student population, they will
21 become a Hispanic-serving institution.
22 The University of Houston's system, of
23 which UHD is a part, is the only system in the country
24 where all of its component universities are
25 Hispanic-serving.

1 One of the things is that reduction in state
2 support, changes in Pell Grant, reduction in the number
3 of hours that you can earn or be eligible for financial
4 aid, all of those have had impact on Hispanic students.
5 Particularly low-income and first-generation students.
6 The changes are often done with good reason.
7 You want to encourage people to stay in college, but
8 encourage them to take full loads. However, not all
9 colleges or universities are composed of students that
10 go full time.
11 University of Houston-Downtown, for
12 example, we are a hundred percent commuter campus. No
13 dormitories. 80 percent of our students are part time.
14 So, they're not going to graduate in six years. They're
15 going to graduate at the pace it takes them to graduate.
16 The way you need to fund and reward
17 universities is not for six-year graduation rates,
18 except for those that are predominantly residential
19 institutions and particularly those that bring students
20 from upper middle class and higher class backgrounds,
21 but you have to reward them for graduating.
22 So, think of it as a marathon. You don't
23 stop the clock in an hour or two hours. The average
24 person can run it in two hours and 20 minutes. If it
25 takes all day to get across the marathon, you're waiting

1 there and you're applauding them when they cross.
2 In America, our issue is the number of
3 people who have degrees. So, we need policies that
4 reward getting degrees and understand that they're going
5 to enter at different times. So, we need policies and
6 financial aid practices that support them in doing that.
7 First-generation students are the most
8 vulnerable particularly if they come from low-income
9 backgrounds.
10 We heard in earlier testimony of students
11 who had to work going to college often helping raise
12 a parent or younger kids, helping to take care of
13 somebody or having to work extra hours.
14 I have students who take loans not for
15 themselves, but to help their family so they don't have
16 to work and then they can go to college. So, you have
17 different situations with different kinds of students.
18 Today in the Houston Chronicle, there was
19 an article about the STARs test, which is done throughout
20 the state of Texas.
21 And in it, ironically and sadly, Houston
22 Independent School District, which previously wasn't
23 doing that great a job anyway, as a matter of fact, all
24 African-Americans who take college prep courses and then
25 say they were going to go to college, only 11 percent

1 meet college readiness standards in HISD. Only ten
2 percent of Hispanics.
3 Well, today the test results show that the
4 gap between minorities is increasing and the failure
5 rates on those tests is actually increasing.
6 Those students if they're going to go to
7 college, need more support. Need additional services.
8 Need transitional programs.
9 Those are programs that tend to be
10 ancillary. So, you have to apply for them like TRIO
11 Grants or other kinds of support programs rather than
12 state aid or federal aid understanding that universities
13 that serve these students must have additional resources
14 to provide them the skillsets, the support and the
15 success that will help them graduate and do it in a timely
16 fashion.
17 At UHD we've been very successful. Our
18 students graduate - one of the things I'm going to -
19 let me give you an example.
20 It was a state report that was done three
21 years ago looking at all 34 public institutions. Our
22 students graduated with the third highest starting
23 salary in Texas. Higher than UT, higher than Texas
24 Tech, higher than A&M.
25 In business, they were number one. In

1 psychology, number one. When you look at it from the
2 standpoint of what our support from the state was and
3 our tuition, we were the third lowest in tuition in the
4 state, and the bottom in support in appropriation per
5 student.
6 We could do a lot better job. Universities
7 like us could graduate more with greater support and
8 with policies that help us to do that. Thank you very
9 much.
10 CHAIRMAN CASTRO: Thank you, Dr. Flores.
11 Ms. Santiago.
12 MS. SANTIAGO: Thank you so much for
13 inviting me to be here and speak with you about my
14 perspectives and Excelencia in Education's perspective
15 about Latinos and socio-economic mobility.
16 We believe all students should have a shot
17 at the American dream. And for us, that means that hard
18 work and few barriers create that opportunity.
19 Unfortunately, and my colleagues have
20 already shared it, we know not enough are getting there
21 overall, and certainly Latinos.
22 And I think that's the focus of the work
23 that I do at Excelencia in Education and why we're
24 committed to having these kinds of conversations.
25 Why Latinos? I think this has been shared.

1 We're young, we're fast growing, we've got low
2 educational attainment levels, high labor force
3 participation and we're in low-paying occupations.
4 All that creates an opportunity when you
5 look at those data and the data in my testimony, of
6 opportunity to address socio-economic mobility and what
7 we need to be doing to serve them well.
8 I'd also say, you know, for us Latinos
9 really represent these post-traditional students. In
10 our minds, you know, so much of public policy, and I'm
11 guilty having been a policy analyst, is so focused on
12 traditional students and educational pathways, but
13 that's not the majority of our students today.
14 And looking at Latinos rather than a
15 footnote or an aside, the start in looking at this
16 population, I think, can allow us to look at issues in
17 higher ed that seem intractable in different ways by
18 using that lens of this young and fast-growing
19 population. For us, that framing helps to compel action
20 that really matters.
21 In Excelencia in Education, we find there
22 is a great deal of ignorance about our students of today.
23 And thinking of a post-traditional profile is helpful
24 because when you look at the educational pathways to
25 a four-year, we see students who need remediation, drop

1 out, return, not just Latinos, but certainly Latinos.
2 Paying attention to the four areas you asked us to talk
3 about; access, affordability, persistence and
4 completion, do matter.
5 So, what I'd like to do is just give you
6 a very quick snapshot of what we see is working in these
7 areas to try and engage a little bit more in that part
8 of the conversation.
9 And I do want to get to the socio-economic
10 part. My background is in economics. So, I can't get
11 away from that part of it.
12 So, I'm going to go through B not go through
13 quite as many of the demographic things in order to be
14 able to get to the socio-economic mobility.
15 In terms of access, we've seen real
16 progress, but we also know that still only about a third
17 of Latinos who go to college are prepared to go to
18 college. And that means that we still have a lot of work
19 to do.
20 So, we should celebrate our successes and
21 know that there's more that we need to do in order to
22 address the economic needs of our country overall.
23 The kinds of things that we see working,
24 very intentional outreach, parental engagement, it's
25 a family decision, you know. Over 40 percent of Latinos

1 who go to college are the first in their family to go
2 and they tend to be low income.
3 So, these are factors that can work for
4 others, but, again, looking at Latinos gives us a way
5 to think and get into it. Programs like Trio that do
6 intrusive advising, we've seen an impact in those
7 overall.
8 The second issue, affordability, we've
9 done lots of research talking to Latino students and
10 others. And their college choices are often defined by
11 things outside of conventional wisdom. It's based on
12 cost, access and location.
13 And in conventional wisdom, we often think
14 that it's based on financial aid, academic programs and
15 prestige.
16 So, finding ways to reconcile the
17 assumptions we make as policymakers and decision-makers
18 with what students are actually deciding has an impact
19 as we look to educational pathways and how we can be
20 helpful to them.
21 Some of the things that we see work, we see
22 work study works for Latinos. They're actually more
23 likely to participate even though the average aid awards
24 are a little bit smaller, because we tend to be a little
25 bit loan averse.

1 Payment plans where you break up how much
2 they pay so it's not all at once so they can pay as they
3 go because they're working while they're going to
4 college. And grants obviously do matter. These are
5 things that we know work.
6 Persistence in completion, we know that the
7 number of Latinos who are accessing college today is
8 not equal to those that are completing. It's pretty
9 simple math when you take a look at it overall.
10 And, actually, while we've got 14 percent
11 of Latino adults have a Bachelor's degree or higher,
12 19 percent have some college, no degree.
13 So, we've got if there are no other data
14 than that, those are clear references to persistence
15 in completion we should be paying attention to.
16 And I agree with Dr. Flores. Graduation
17 rates don't get us there, because these students are
18 persisting. We have National Student Clearinghouse
19 Data that shows they're continuing on. They're just not
20 counted in our metrics anymore.
21 And their likelihood of completion isn't
22 as high as we would like if they went traditional manner,
23 but respecting the choices they're making and try to
24 balance work, life, family is important as we look to
25 the profile of what needs to go on.

1 What works in persistence and completion,
2 we certainly see cohort models work very well. Students
3 rely on each other for good information and support and
4 access to institutional services.
5 I would say support services overall
6 academic and student in nature have an impact. And
7 intrusive advising we've seen really makes a difference.
8 These are things that cost. But if we want
9 to see the return and success, we have to be willing
10 to invest.
11 And it is kind of perverse that as we talk
12 in public policy at the very time this population is
13 ready to go and in larger numbers, we are retreating
14 on the kind of investments and support we're making in
15 these areas. It's a real challenge for us overall.
16 Socio-economic mobility B woo, time goes
17 fast. So, we've done a couple of series called Finding
18 your Workforce. And we looked at health and STEM. For
19 us, we know those are the fast-growing populations in
20 our country -- I mean occupations in our country.
21 So, we looked at just 2013 and health. We
22 just released this two months B a month and a half ago.
23 The majority of Latinos getting degrees in health are
24 at the certificate and associate level. 75 percent who
25 get degrees are at the certificate and Associate level.

1 They're not making it to the four year.
2 Well, when we looked at socio-economic
3 mobility if you're in the labor market in support and
4 Latinos represent 16 percent in the support area, they
5 make 20 to 32,000.
6 If you're a practitioner, and only eight
7 percent of Latinos in health are, you can make 80 to
8 185,000. That's a real difference.
9 You want socio-economic mobility, let's
10 get them from certificate to Associate to Baccalaureate.
11 Let's meet them where they're at and make sure they get
12 to what we need them to be.
13 In STEM, we do see more Latinos getting at
14 the Baccalaureate level, but we know that's baseline
15 for STEM fields, right. Certificate isn't going to get
16 you there.
17 Two percent of institutions award a third
18 of all credentials to Latinos in STEM. And, again,
19 where Latinos are more likely to be in the support
20 fields, 23 percent versus five percent at the
21 professional level. And the difference is between 40
22 to 75,000 to $120,000 plus.
23 So, socio-economic mobility requires that
24 we pay attention to the pathway and make sure these B
25 they are investing and my colleague here said we do value

1 education B we do value higher education B I don't know
2 why it's not working, but I'll just speak louder.
3 But we have an aspiration and not an
4 actualization. We have the ability to address the
5 actualization, because the aspiration is there. Thank
6 you.
7 CHAIRMAN CASTRO: Thank you, Ms. Santiago.
8 Commissioner Achtenberg, do you want to
9 lead off?
10 COMMISSIONER ACHTENBERG: Dr. Flores,
11 could you talk a little bit about what it means to be
12 a Hispanic-serving institution, where that criteria is
13 set out and what kind of funding is associated with being
14 an Hispanic-serving institution?
15 DR. FLORES: Well, unlike historically
16 black colleges and universities that have special
17 funding for B and rightly so because of the historic
18 importance of those institutions, HSIs are set up by
19 the federal government as a category.
20 If you have 25 percent of your students that
21 are Hispanic, undergraduate students, and half of them
22 are Pell Grant or meet low-income standards specified
23 by the Department of Education, then you will qualify
24 to apply for federal funds.
25 The different -- different agencies have

1 established set-asides B

2 CHAIRMAN CASTRO: You need to B

3 DR. FLORES: There we go. It's back on.

4 So, the agencies have established

5 set-asides in commerce, in agriculture, in others that

6 only Hispanic-serving institutions could apply for.

7 So, that is an advantage at least for

8 research and support, but it also helps you to build

9 your infrastructure and the scientific for your faculty,

10 often a research background, a publication record so

11 that they can apply for NSF grants, HSI -- other

12 departmental grants that don't have HSI grants.

13 COMMISSIONER ACHTENBERG: Thank you.

14 You also mentioned that you're the

15 president of University of Houston-Downtown. And as we

16 were talking before the panel convened, you've had a

17 lot of success in raising the persistence and graduation

18 rates of Hispanic and African-American students on your

19 campus.

20 What works and what could use further

21 targeted investment if such investment were to be

22 forthcoming to actually move the completion needle?

23 Because completion, as Ms. Elliott said,

24 it's the Baccalaureate degree that garners the social

25 and economic mobility same as underscored by Ms.

1 Santiago and further provided by Dr. Pfeffer.
2 DR. FLORES: Right.
3 COMMISSIONER ACHTENBERG: So, I'm
4 interested in completion.
5 DR. FLORES: Well, one of the things that
6 we have been doing in the last five years since I have
7 been president, is we took a lot of the practices that
8 we were doing basically funded by federal grants or by
9 state support, we analyzed the data, we saw practices
10 that were working and we decided let's take them to
11 scale.
12 And, also, if those practices worked in one
13 or two barrier courses, could they work in other barrier
14 courses, supplemental instruction, early alert where
15 we have B if a faculty member sees their student is not
16 showing up to class, notifying an advisor, directing
17 the student if they're having problems.
18 For one, students were not taking exams
19 until the middle of the semester. So, they were
20 midterms. So, we moved up the testing to the third and
21 fourth week. Then we could find out how the student was
22 proceeding.
23 If they weren't doing well, get them into
24 a math lab, into tutorials, into supplemental
25 instruction. Those are costly interventions.

1 We have programs in the summer where
2 students are put through like a boot camp to get them
3 college ready and then retested.
4 We went from two-thirds of our entering
5 freshman, actually 80 percent requiring at least one
6 developmental education course five years ago. Today,
7 24 percent of our entering freshman require one
8 developmental course.
9 And that was mainly because we started
10 testing early, we did intervention, we did a diagnostic,
11 then tutoring and getting them prepared so that they
12 could retest and enter in the fall college-ready. So,
13 there's many programs like that.
14 I think the most successful has also been
15 tearing apart some of our barrier courses working with
16 faculty.
17 I gave you the example of biology. We had
18 an 80 percent D, F and W rate as well as incomplete in
19 intro biology.
20 We got some faculty to stop the lectures,
21 do it all practice-based. We went to 80 percent A, B
22 and C rate in -- same final.
23 Of more impressive is the students B we had
24 in our second cohort, five of those students are B had
25 a paper with their faculty member accepted for

1 publication as freshmen.

2 We had them work on identifying viruses.

3 Out of 48 students, 44 of them identified viruses' phases

4 that had not been put on the National Register. So,

5 we're able to name those, put them on the National

6 Register.

7 As a freshman, can you imagine a discovery

8 that you're making? It changes your life and it changes

9 your avocation.

10 So, students who are taking that biology

11 course because it was compulsory suddenly said, I want

12 to become a scientist.

13 CHAIRMAN CASTRO: Okay. I'm going to ask

14 a couple questions, then Commissioner Kirsanow will have

15 the floor.

16 Mr. Clegg, I always appreciate hearing from

17 you, because I find what you say very interesting

18 sometimes and I enjoy the back and forth when we talk,

19 but, you know, you mentioned that diamonds in the rough

20 come in all colors and, you know, I agree with that.

21 The only problem is that when we're talking

22 about these issues, for some reason the darker diamonds

23 tend to be in the worst mines and the less-kept mines

24 and the poor mines and the miners don't tend to provide

25 the best equipment to shine those diamonds up and cut

1 them up like the lighter diamonds.

2 And so, when you say not everyone needs to

3 go to college, not everyone needs a diploma, not everyone

4 should go to a good college, I'm concerned about that,

5 because it's almost a paternalistic argument that I've

6 heard from others whether it's Affirmative Action, well,

7 you know, maybe they shouldn't be going to the best

8 schools, because they're not going to really do well

9 there and it's going to be tough on them. Maybe they

10 should go to the less prestigious schools. Maybe they

11 should not apply to the Harvards and the Yales.

12 Now, you went to Rice University and Yale.

13 Would you say that maybe you shouldn't have gone to

14 college or maybe your life isn't better because you got

15 a college degree and that you went to a university like

16 Yale to get your law degree?

17 MR. CLEGG: Well, you said a lot in that

18 question and I think it's quite unfair, you know. You

19 characterized what I said B as being very mean-spirited

20 in a way that it's not.

21 CHAIRMAN CASTRO: I don't mean for it to be

22 mean-spirited.

23 MR. CLEGG: Well, you know, that's the way

24 you characterized it. It is true that not everyone

25 should go to college. It is true that not everybody

1 should go to the most prestigious colleges.
2 I say that not because I look down on or
3 wish ill to people who shouldn't go to college or
4 shouldn't go to the most prestigious colleges, you know.
5 That is just a fact. And if we're making public policy,
6 we have to recognize that fact.
7 And you also make it sound like that there
8 is something sinister going on when, you know, the black
9 diamonds in the rough or the Hispanic diamonds in the
10 rough are not found, but there are lots of white and
11 Asian-American diamonds in the rough that aren't found
12 either.
13 And it's not because of anything
14 discriminatory. I don't think that there's anybody out
15 there saying that, well, you know, this is a white
16 diamond in the rough and we care about this person and
17 we're going to make sure that they go to Rice or they
18 go to Yale, and this person here is African-American
19 and we don't care about them. There are
20 non-discriminatory reasons why that happens.
21 Now, as I said in my testimony, if there
22 are people who should be going to Rice or to Yale who
23 are not, then by all means I am in favor of coming up
24 with programs that ensure that they go, that they get
25 the opportunity to go to Rice or to go to Yale.

1 But my point is that those programs should
2 not focus on the skin color or what country that person's
3 ancestors came from. That's what I'm saying.
4 And I'm not saying that I don't appreciate
5 the advantages that I've had in life. I'm very grateful
6 that I was able to go to Rice University, which was not
7 all that expensive, by the way, at the time that I went
8 there. And that I was able to go to Yale, which was more
9 expensive, but not as expensive as it is now.
10 But, you know, the principal reason, I
11 think, that I had those advantages was not because of
12 my skin color. It's the same B I probably have the same
13 thing to thank that most people have to thank, and that
14 is my parents.
15 And the principal point that I'm making here
16 is that people of any color whose parents are married,
17 are going to do better.
18 And these huge disparities that we see among
19 different racial and ethnic groups mirror the
20 disparities that we see in out-of-wedlock birthrates.
21 I mean, as I said, more than seven out of
22 ten African-Americans, more than six out of ten American
23 Indians, more than five out of ten Latinos, versus fewer
24 than three out of ten non-Hispanic whites, versus fewer
25 than two out of ten Asian-Americans.

1 Now, you line that up and you ask, does that
2 fit pretty well with how well the different groups are
3 doing in American life?
4 Whether we measure in terms of educational
5 outcomes, which is what we're doing here today, or in
6 terms of wealth, which was what Professor Pfeffer was
7 talking about, or in terms of crime, you know, you name
8 the indicator and it is, I think, correlated with the
9 kind of home life that that person had.
10 CHAIRMAN CASTRO: You indicate that now in
11 2015, racism, racist teachers, racist school systems
12 certainly can't be the case, not now.
13 But, you know, we were at the Justice
14 Department earlier today and they've got over a hundred
15 active desegregation cases in 2015.
16 All you need to do is look around this
17 country to see the interaction between police officers
18 and communities of color to see that there are issues
19 of race that impact the daily lives of individuals in
20 this country. Yeah, it would be great if race weren't
21 a factor, but it is.
22 And you point out in your reference to
23 single-family households, which is interesting data,
24 I'd like to see how well some of those white students,
25 white individuals who come from single-family homes,

1 how well they do in comparison to minorities who come
2 from two-parent households.
3 Because there's some interesting data, I
4 think you, Ms. Elliott, talked about with regard to the
5 individuals in the lower economic rungs that regardless
6 of that movement you said whites raised at the bottom
7 were two times more likely to experience movement up
8 the income ladder than blacks regardless of whether or
9 not they had a college degree.
10 So, what you're saying is even if a black
11 individual has a college degree, a white individual may
12 not and still leap farther than them.
13 Could you go into a little bit of that, I
14 mean, because to me it seems, therefore, that there is
15 an issue of race there somewhere note even buried deeply,
16 but clearly there are racial inequalities here.
17 MS. ELLIOTT: Sure. So, that was from a
18 brief that we did on upward mobility from the bottom.
19 And we get asked a lot, you know, what's special about
20 those who are able to leave the bottom. Right?
21 We know that there's a lot of stickiness
22 at the bottom, but people do move up. So, what's special
23 and unique about them?
24 So, we did an analysis to try to understand
25 that. And we did a logistic regression where we were

1 trying to understand B sort of a fancy way of analyzing
2 these data trying to control for various factors that
3 might be associated with movement up.
4 So, some of the factors that we looked at
5 were actually presence of two earners in a household
6 is highly likely to move you up a rung on the ladder.
7 College degree, though, was the biggest
8 one. Five times more likely because of a college degree
9 to move up that ladder, but above and beyond race simply
10 in and of itself was important here.
11 So, this is, again, controlling for all of
12 these factors. Each of these three stood out for
13 promoting mobility up from the bottom.
14 CHAIRMAN CASTRO: Commissioner Kirsanow.
15 COMMISSIONER KIRSANOW: Thank you very
16 much, Mr. Chair. And thanks to all the panelists. This
17 has been very instructive.
18 You know, we seem to be throughout the
19 hearing today focusing on demand side in terms of college
20 costs versus supply side.
21 We're saying, well, how much? We have to
22 give more money to individuals to go to college and we
23 really haven't addressed why is college so expensive?
24 And so, I mean, when I went to college back
25 in the Mesozoic era, my total tuition, rent, food cost

1 was $5,000.

2 When my daughter went to the same college

3 mainly to rehabilitate the family name, it was $40,000.

4 And it's now more than $60,000 far outstripping the cost

5 of living increases during the same period of time.

6 So, I'm impressed by what Dr. Flores had

7 to say, because it really gets to the level of the matter.

8 I think you had said that your school,

9 University of Houston-Downtown, actually beat UT, Texas

10 A&M and others in terms of things such as lowest tuition

11 rates, yet you still graduated people with the highest

12 starting income.

13 What's UT, Texas A&M and all these other

14 colleges doing wrong?

15 DR. FLORES: I'm not sure if you'd state

16 that they're doing wrong. I think B

17 COMMISSIONER KIRSANOW: Well, you're doing

18 something right.

19 (Laughter.)

20 DR. FLORES: Well, let me tell you what we

21 are not doing. We are not trying to be a Tier 1

22 institution ranked by U.S. News and World Report.

23 And I think a lot of those institutions are

24 there to compete with each other to see who can have

25 the biggest stadium, who can have the biggest sports

1 arena or the biggest B the most luxurious rec center,
2 the most luxurious dormitories.
3 We don't have dorms. We have a very small
4 gym. We focus on basics. We focus on learning. We
5 focus on undergraduate research, getting students early
6 on working with faculty, getting them internships,
7 getting them capstone experiences where they actually
8 get jobs.
9 As sophomores and juniors, our total, by
10 the way, for tuition, we have a guaranteed four-year
11 tuition rate at $27,000. So, that's hard B we're also
12 in the most expensive square foot area, which is downtown
13 Houston, of any university in the state of Texas. So,
14 yeah, we're doing a lot of things right.
15 COMMISSIONER KIRSANOW: I congratulate
16 you. I have another question for Mr. Clegg.
17 DR. FLORES: Oh, by the way, the other thing
18 is we ran some data on our students who graduated in
19 six years the last three cycles. We did this last year,
20 not this year yet, but we found that 29 percent of our
21 students graduated with zero out-of-pocket expenses.
22 50 percent graduated with less than $10,000
23 indebtedness. So, we really work to keep the costs down
24 and the opportunities up.
25 COMMISSIONER KIRSANOW: Well, it seems

1 like you're doing something right and you should be
2 emulated.
3 Got a question for Mr. Clegg. At your
4 organization or while you were at the Justice Department
5 Civil Rights Division, were you aware of any financial
6 aid programs, any scholarships, merit-based programs,
7 grants or anything else that discriminated on the basis
8 of race, sex, age, national origin or any protected
9 class?
10 MR. CLEGG: Sure.
11 COMMISSIONER KIRSANOW: Okay. Could you
12 please tell me which ones those were?
13 MR. CLEGG: Well, one of the things that I
14 did when B well, I should say two things. As far as the
15 Justice Department, my time at the Justice Department,
16 I don't recall working on anything involving
17 scholarships at that time.
18 Now, there were admissions policies that
19 I think actually we investigated admissions policies
20 in the University of California system, I think,
21 particularly at Berkeley that we had good reason to think
22 were discriminating against Asian-Americans.
23 I don't recall anything else, though, in
24 terms of educational, you know, higher education
25 policies that were B well, we also brought a lawsuit

1 against VMI for sex discrimination in admissions, a
2 lawsuit which I did not think was a good idea.
3 Since coming to the Center for Equal
4 Opportunity, we have looked at lots of colleges and
5 universities. And through the magic of the internet,
6 you know, you're now able to go to university websites
7 and, you know, you click on the financial aid part, you
8 click on the scholarships.
9 And we found a lot of scholarship programs
10 that were not just racially preferential, but were
11 racially exclusive.
12 That is, there were scholarships that you
13 could not even apply for unless you were this or that
14 color and that you were disqualified from applying for
15 if you were a particular color.
16 And we wrote to those schools. This was
17 both before and after Grutter, but I think most of the
18 letters went out after the Grutter decision.
19 And we pointed out that the Supreme Court
20 said that if you're going to use race and ethnicity in
21 a higher education context, you still have to get
22 individualized consideration.
23 And we said, if you have a scholarship that
24 you can't even apply for based on race, you're not giving
25 individualized consideration. So, you need to change

1 the requirements for the scholarship or else we will
2 file a complaint with you with the Education Department.
3 And the Education Department at that time
4 took those kinds of complaints seriously. And so, you
5 know, we succeeded, I think, in getting B and I think
6 it is still the case that most schools now don't offer
7 scholarships on a racially exclusive basis. Don't
8 offer, you know, fellowships and things like that.
9 They are still out there, unfortunately,
10 but I think that most of them don't do it.
11 I should say that, you know, we did not play
12 any favorites, you know. Occasionally we would find a
13 program that was racially exclusive for whites.
14 Sometimes just for whites.
15 I remember in one instance sometimes it was
16 for a white ethnic group like Italian-Americans or
17 something like that and we made the same point. We said,
18 you can't do this.
19 So, yeah, those programs are out there. I
20 think that, you know, fortunately most schools B and,
21 you know, the first school that we wrote to, I think,
22 was Princeton. And then we wrote to MIT. And we've
23 written to Harvard and Yale.
24 And all these schools agreed that it didn't
25 make sense to have these programs available on a racially

1 exclusive basis. And I think that B I think and I hope
2 that that's the predominant practice now.
3 Now, they may still take race into account.
4 I'm not saying that they're not B that they don't give
5 preferences and that they don't weigh race the same way
6 that they may weigh race in admissions, but at least
7 they're not racially exclusive anymore.
8 COMMISSIONER KIRSANOW: And in terms of
9 admissions, are there preferences that you've observed,
10 and how widespread are they?
11 MR. CLEGG: Well, yes, I think that, you
12 know, most schools don't deny, or most B I don't want
13 to say most. That's not true.
14 Most selective schools, I think, admit that
15 they do weigh race and ethnicity unless they are in a
16 state that has banned such discrimination. And as you
17 know, there are a number of states that, you know, have
18 banned that kind of discrimination.
19 However, we have, you know, used Freedom
20 of Information Requests to get admissions data from lots
21 of universities and we've done a regression analysis
22 to see whether it appears that race and ethnicity are
23 being weighed in admissions and how heavily.
24 And we have found that not only is it the
25 case that racial and ethnic discrimination is going on,

1 which, as I said, most of these -- a lot of these schools
2 admit, but that they are weighing race and ethnicity
3 much more heavily than they like to admit.
4 CHAIRMAN CASTRO: Commissioner, I'm going
5 to give it over to Commissioner Achtenberg.
6 COMMISSIONER KIRSANOW: Just if you could
7 answer the how, how heavily
8 MR. CLEGG: Oh. Well, you know, these
9 schools are B these studies are on our website and the
10 conclusions are expressed in terms of odds ratios.
11 So, as I recall, the worst law school we
12 found, I think, was in Arizona. And the odds ratios were
13 like over 1400 to one. Something like that.
14 As I recall at the University of Michigan,
15 and this was after they had lost before the Supreme
16 Court, you know, for students who had particular SAT
17 scores and high school grades, the difference in your
18 chances to admission if you are white or Asian-American
19 versus Latino or African-American could be, you know,
20 the difference between having a one out of ten chance
21 of getting in versus a nine out of ten chance getting
22 in.
23 CHAIRMAN CASTRO: Commissioner Achtenberg
24 followed by Commissioners Narasaki and the vice chair.
25 COMMISSIONER ACHTENBERG: I would only

1 point out after having been a trustee of the California
2 State University system for 15 years, I'm no longer a
3 trustee. So, I have no official axe to grind in this
4 regard.
5 And having become familiar with the systems
6 B the comprehensive universities, which Dr. Flores
7 represents and which is represented by the universities
8 like the California State University, the Louisiana
9 system, we'll hear from Brit Kirwan from the University
10 of Maryland, also a comprehensive state system, where
11 the bulk of the many millions of students who are
12 enrolled in Baccalaureate degree programs are educated.
13 I'm not talking about the highly
14 selectives. I'm not talking about the ivy leagues. I'm
15 not talking about any institutions that have to deal
16 in Affirmative Action or any form of racial preference
17 - these are the universities where the bulk of the
18 workforce is being educated in every state in the Union,
19 including the District of Columbia.
20 In California, 60 percent of the nurses,
21 70 percent of the teachers, 80 percent of the social
22 workers and workers in criminology, 70 percent of the
23 business people who hold a Baccalaureate degree are all
24 educated in the California State University.
25 And we're going to hear from the chancellor,

1 Tim White, tomorrow about the various kinds of progress
2 that that system has been making in terms of improving
3 education across the board at an affordable price and
4 enhancing achievement among all groups also
5 disaggregated for race. So, it's enhancing achievement
6 among Latinos and African-Americans as well.
7 So, there's an important picture to be
8 painted there and I think that's really the question
9 we're trying to grapple with, or at least the one that
10 motivated me to ask my colleagues to use this concept
11 paper to undergird these hearings and hopefully to
12 provide the basis for a report that this Commission would
13 issue about the impact, disparate or not, of current
14 education funding policies on the achievement of the
15 Baccalaureate degree disaggregated by group.
16 I would like to turn to Dr. Pfeffer and ask
17 with wealth inequality doubling over the last ten years,
18 does that mean it's even harder for someone in the
19 low-income group to achieve the Baccalaureate degree
20 and/or does it mean that if one achieves the
21 Baccalaureate degree, is one at least equally as likely
22 to enter the middle class with that degree as the ticket?
23 Are those, I mean I'm a tad confused about
24 what means more.
25 MR. PFEFFER: Well, I would say yes. I

1 would say yes to both in some sense. So, the
2 inequalities in access to college education has grown
3 with the growth in wealth inequality.
4 In fact, what I've cited as this doubling
5 of wealth inequality in the last ten years isn't even
6 taking into account in what I've talked about before
7 in how the students from very wealthy backgrounds have
8 pulled apart from everyone else.
9 We need to observe how wealth inequality
10 has grown in the parent generation and then track down
11 the children, you know, ten, 15, 20 years down.
12 So, what I told you about this 40 percentage
13 point, you know, gap, that related to a period in which
14 wealth inequality was growing, but slowly.
15 In some sense, you could project out and
16 say, you know, we already know what happened to
17 inequality in the last few years and we can project out
18 by what happened to the children who grow up today.
19 If you just apply that, you know, analysis
20 that I've done to the future, these wealth gaps would
21 not be 40 percentage point, but be 70 percentage points.
22 So, the growth in wealth inequality seems
23 to be tied to the growth and wealth gaps indeed.
24 On the other hand, for those who do attain
25 a Bachelor's degree, it is still the case that their

1 socioeconomic origins cease to have direct impacts on
2 their socioeconomic destinations.
3 Inequality going into who gets a college
4 degree. But once you get there, you know, you sort of
5 disconnect from your backgrounds.
6 I would also, if I may, like to answer in
7 response to some of the debate that we started here,
8 explain why really I wanted to focus on wealth at this
9 commission.
10 So, without, you know, a personal
11 reference, but Mr. Clegg did note that he was grateful
12 to his parents for being able to attend Yale.
13 Now, I hope I'm not dating you, but I would
14 assume that your parents when they were faced, for
15 example, with the decision to purchase a home, that that
16 decision happened in a time when African-Americans were
17 actively excluded from the opportunity to purchase a
18 home in a specific neighborhood.
19 What I'm saying is it is not that long ago
20 that we actively prohibited asset accumulation by
21 minorities. I think it's worth pointing this out in
22 this forum.
23 So, when I say that, you know, the typical
24 African-American has five cents or four cents on the
25 dollar for the white family, you know, the white family

1 having 60 to 70 times more wealth, we should not forget
2 where that comes from.
3 So, we can debate, and I'd be very happy
4 to engage in that debate, what the level of active
5 discrimination is in today's society. There is
6 actually very good social scientific research on that,
7 but we should not forget where today's wealth gaps or
8 at least a large part of them stem from, from active
9 exclusion from asset accumulation not that long ago.
10 And we're talking about the parents or often
11 the grandparents of today's students. And, remember,
12 we have Grandparents Visit Day on many college campuses.
13 Why? Because they finance education.
14 COMMISSIONER ACHTENBERG: Thank you.
15 CHAIRMAN CASTRO: We have next
16 Commissioner Narasaki followed by our vice chair.
17 COMMISSIONER NARASAKI: Thank you, Mr.
18 Chair. I have a few questions for Mr. Flores, and then
19 some questions for Mr. Clegg.
20 So, you mentioned, Mr. Flores, that you
21 think the measurement for success should not be four
22 or six years completion.
23 DR. FLORES: It should be one measure, but
24 not the only measure.
25 COMMISSIONER NARASAKI: Yeah. So, I'm

1 wondering what the alternative or additional measure
2 is since we hear a lot about, you know, the challenge
3 of low-income students, or particularly minority
4 students, in terms of their ability to actually graduate
5 in six years.
6 And then the second question I have for you
7 is, if you could clarify - I'm a little concerned because
8 this hearing is partly focused on the issue of should
9 our recommendation be that Congress needs to increase
10 its investment, federal dollars going to things like
11 Pell Grants and TRIO and those programs, or to schools
12 directly so that they could provide greater support
13 programs, or should they not, or should they do something
14 different?
15 And I'm a little concerned that the great
16 success you've had might be misconstrued B and I don't
17 know, I'm just trying to clarify - as saying, you know,
18 no, schools just need to do what you're doing and the
19 federal government can get out of the business.
20 So, I just wanted clarification on that.
21 DR. FLORES: Well, first, on that question,
22 we do get a lot of federal dollars. We get a lot of state
23 dollars. We apply for grants for foundations. We could
24 not do it solely by ourselves.
25 We reallocate resources every year.

1 Whenever there is a position that becomes vacant, I look
2 at, and the provost looks at, where could that position
3 be better used? And we invest in the areas that -- are
4 important for our metrics.
5 Now, one of the things that's important for
6 me -- so, first of all, yes, we need more money for Pell
7 Grants. I think all universities do.
8 I think as was talked about earlier today,
9 that there should be the utilization of federal dollars
10 as a way of encouraging universities to have more
11 students from low-income backgrounds and success rates
12 with those students.
13 I'm sure you're going to hear from the
14 Education Trust tomorrow and they allotted that up on
15 how universities, particularly Tier 1 institutions,
16 have not done a good job in bringing in students and
17 graduating students from low income. So, we need
18 encouragements for both private and public
19 universities.
20 So, we can change policy, we can reallocate
21 federal dollars. I think we need to increase the Pell
22 Grants for students, because the reality of it is costs
23 have continued to increase.
24 Getting back to the question that
25 Commissioner Kirsanow asked, one of the biggest drivers

1 in higher education is increased cost of tuition.
2 30 years ago states were picking up 82
3 percent of the cost of higher education. In our campus
4 right now, state support is down to 26 percent.
5 So, you can't just keep cutting. You've
6 got to offset that somehow. And so, the only thing you
7 can do is raise tuition and fees.
8 So, it's you're condemning universities
9 for raising tuition and fees where really I think the
10 onus has to be placed on the state governments who are
11 reducing support to higher education. So, that gets
12 back to the policy question.
13 You had an earlier question that you asked?
14 COMMISSIONER NARASAKI: The issue of this
15 -- If you're not B in addition to using four and six-year
16 graduation markers, what else would you use?
17 DR. FLORES: I would look at one of the
18 things we do successfully is we get a lot of transfer
19 students.
20 What we've tried to do is lower the cost
21 overall for students by increasing the number of
22 students who come to us already with college credits.
23 So, we've formed partnerships with high
24 schools for dual credit so that they're earning college
25 credit while still in high school. And we actually have

1 in several community colleges in Texas, who have early
2 college programs jointly with high schools.
3 So, students can actually graduate with an
4 Associates Arts degree and a high school diploma. And
5 usually they will earn that before they get their high
6 school diploma. That has dramatically reduced by two
7 years the cost of tuition.
8 Now, then there's a cost to that that needs
9 to be offset somehow. So, we need federal and state
10 supports to programs like that.
11 Also, we have reverse transfer agreements
12 with community colleges. What we've built in with the
13 University of Houston-Downtown is agreements so that
14 when B we have data that shows that students who
15 transfer, but don't have an Associate of Arts degree,
16 they have a high likelihood of not succeeding.
17 But if we get them, help them to get their
18 Associate of Arts degree while they're still at UHD,
19 their likelihood of graduating not only with a degree
20 in hand, but with a four-year degree increases. So, we
21 sign reverse transfer agreements with our community
22 college partners.
23 What that has done is it meant that for the
24 first time students were now getting a degree. They
25 were going back and participating in a graduation

1 ceremony at the community college that they had been
2 in, but didn't graduate from.
3 That increased the likelihood that they
4 were going to graduate from us. So, I think you have
5 to work with the institution. Let them set the metrics.
6 The real metric that's important to this
7 country and that President Obama has talked about is
8 increasing the number of certificates and degree holders
9 and the percentage getting back to being number one.
10 And so, everything has to be from that
11 merit. It's not from the standpoint of how long it takes
12 you to graduate, but increasing the number of people
13 who do, the number of people who become teachers and
14 lawyers, et cetera, et cetera. So, you build in metrics
15 to encourage that.
16 COMMISSIONER NARASAKI: Thank you.
17 So, Mr. Clegg, we've debated this issue many
18 times. And as you know, my viewpoint on Affirmative
19 Action is based on my own personal story, which is way
20 back in the Paleolithic era.
21 Along with Commissioner Kirsanow, I
22 benefitted from Affirmative Action when there are far
23 less Asian-Americans on campus.
24 And today, as hopefully we'll hear more
25 later by someone who is testifying later, there are some

1 Asian-American ethnic groups with colleges who are doing
2 it right who are benefitting from efforts on their
3 behalf.
4 I appreciated Mr. Pfeffer's story about
5 wealth, because that's actually what happened in my
6 family.
7 My parents were B when they went to buy a
8 house after my dad went to college after serving in the
9 military, there were only certain parts of Seattle he
10 was allowed to buy, because there were racial covenants
11 against Orientals buying homes. So, he bought - we
12 bought in the south part.
13 And after he died when we went to sell the
14 house, the house had not appreciated as much - nearly
15 as much as most of the rest of Seattle, because of the
16 area that we were limited to buy in.
17 And I think that is a reality, because
18 wealth becomes the basis on which you use to fund
19 education, right? Because you can mortgage your house
20 or you have more security about being able to invest
21 in your kid's education if you own your house and you
22 know that you're growing wealth. So, I think that was
23 a very important contribution.
24 MR. CLEGG: And of course now people who
25 tell that kind of story are being discriminated against

1 B

2 COMMISSIONER NARASAKI: Well,

3 MR. CLEGG: -- because of their ethnic

4 background.

5 COMMISSIONER NARASAKI: -- where I take

6 issue from that is B

7 MR. CLEGG: And I'm not

8 COMMISSIONER NARASAKI: Because you

9 referred to Berkeley, right? And Berkeley lost, right?

10 I think if it's the same case, Berkeley lost.

11 And what I get concerned about is I feel

12 that often there's a confusion between intentional

13 quotas against groups based on different minority

14 groups, which I think was happening at Berkeley, versus

15 Affirmative Action, which is helping other minorities

16 MR. CLEGG: Well, if you are discriminating

17 against

18 CHAIRMAN CASTRO: Let her finish her

19 question.

20 MR. CLEGG: If you are discriminating in

21 favor of some groups, then you are discriminating

22 against other groups.

23 COMMISSIONER NARASAKI: Roger, can you - is

24 it okay if I can finish, please?

25 MR. CLEGG: Well, go ahead. What's your

1 question?

2 COMMISSIONER NARASAKI: So, the issue is
3 this, is that you are raising your concern about the
4 fact that the Commission is looking at these issues of
5 financial aid through the lens of race.

6 And I think that by and large most of the
7 programs, and I don't intend to put myself out there
8 as an expert on all the many programs that are out there,
9 don't, in fact, tend to turn on race, right? They turn
10 on income.

11 And the reason, though, that we are talking
12 about race is because the reality is, is your own
13 demographic discussion is, right, some minority groups
14 are disproportionately in the low-income category,
15 right?

16 And in addition to that, might have other
17 realities, for example, being immigrant families coming
18 from countries like Mexico where there might have been
19 less educational opportunities. So, the parents are
20 less likely to be college educated as opposed to coming
21 from India where there is more educational opportunity.

22 And so, even if they are immigrants, the
23 parents are; A, more likely to speak English and; B,
24 have an education.

25 So, I'm saying that, you know, you noted

1 quite correctly that there are different realities for
2 each community.
3 And so, what we're trying to do is
4 understand how these programs impact the different
5 communities because of that reality.
6 MR. CLEGG: See, I also think it's
7 important, though, that we not use race and ethnicity
8 as a proxy for these other variables. And, you know,
9 my answer to Professor B
10 COMMISSIONER NARASAKI: I don't think we
11 are B
12 MR. CLEGG: B is that, if, in fact B
13 COMMISSIONER NARASAKI: Roger. Roger.
14 MR. CLEGG: -- wealth is B if there are poor
15 people out there who can benefit from scholarship
16 programs or whatever, I'm all in favor of having those
17 scholarship programs be available to them, but why treat
18 a poor white person differently from a poor black person?
19 Or worse, why are we assuming that a poor
20 white person is less deserving of a --
21 COMMISSIONER NARASAKI: Roger, this is --
22 MR. CLEGG: -- scholarship than a middle
23 class or upper --
24 COMMISSIONER NARASAKI: Roger, but this is
25 just --

1 MR. CLEGG: -- class black person.

2 COMMISSIONER NARASAKI: -- what I'm trying

3 to say is I don't think that Pell Grants or these loan

4 programs actually do that.

5 So, that's why I'm a little confused that

6 the issue is being raised, because from my understanding

7 that is not what those programs do.

8 So, I'm just trying to clarify --

9 MR. CLEGG: Well, I --

10 COMMISSIONER NARASAKI: My clarification

11 from you is, do you think that these programs have a

12 racial bias in which case, you know, I think it's

13 important to discuss it, or not?

14 MR. CLEGG: No, I think that some programs

15 out there, some scholarship programs out there, as I

16 was discussing with Commissioner Kirsanow, do

17 discriminate on the basis of race and ethnicity. Others

18 do not.

19 COMMISSIONER NARASAKI: But I'm talking B

20 MR. CLEGG: And the reason that B

21 COMMISSIONER NARASAKI: Wait. Wait.

22 Wait. Can I just clarify? Because I'm talking about

23 federal programs. We're talking about federal

24 programs. We're not --

25 MR. CLEGG: When you say "we," I mean --

1 COMMISSIONER NARASAKI: The Commission.
2 That's what the hearing is about is the federal programs.
3 MR. CLEGG: Where does it say that?
4 COMMISSIONER HERIOT: If it doesn't have to
5 do with race and gender, then we're not allowed to be
6 looking at it. That's our jurisdiction. So, I don't
7 get what you're saying, Commissioner.
8 MR. PFEFFER: May I respond?
9 CHAIRMAN CASTRO: Let's let Mr. Pfeffer
10 respond and maybe that will B
11 MR. PFEFFER: And probably to bring it back
12 to the policy angle then is I was also, I have to admit,
13 a bit surprised to hear that there is discrimination
14 in the allocation.
15 The one area where I would see this is since
16 we talk about home equity now, in 1992 there was an
17 amendment to the Higher Education Authorization Act that
18 excluded home equity from the calculation of financial
19 aid. This is something we can talk about, right?
20 So, if we are concerned about the
21 reauthorization of the Higher Education Act, the
22 question is if there are these longstanding disparities
23 in wealth that are often, especially for the middle
24 class, tied to home ownership and home equity, why don't
25 we pay attention to home equity in the calculation of

1 financial aid?

2 Currently, we don't. Since 1992, we don't.

3 MR. CLEGG: And see, I would add to that

4 that if you have B you have several individuals out there

5 and, you know, we could have a very long and boring

6 discussion about to what extent, you know, each

7 individual can trace his or her poverty to

8 discrimination. And my point is, what difference does

9 it make?

10 If somebody is poor and needs financial aid,

11 why do we care if this person is able to marshal some

12 social scientists who can show that, well, you know,

13 we can trace this person's poverty to slavery, this

14 person is poor only because his grandfather was a drug

15 addict, this person here is poor only because he's a

16 recent immigrant from Mexico.

17 Why do we need B

18 CHAIRMAN CASTRO: So, we're going to move

19 on because we're running out of time. And we still have

20 two commissioners who want to ask questions.

21 And I'm sure they'll probably ask you some

22 questions, too. So, you'll get a chance to keep

23 talking.

24 Vice Chair and then followed by

25 Commissioner Yaki. And that may wrap it up, actually.

1 VICE CHAIR TIMMONS-GOODSON: Thank you
2 very much, Mr. Chair.
3 Dr. Pfeffer, I've listened with a lot of
4 interest as you talked about family wealth and family
5 income, you know.
6 I often hear of other African-Americans who
7 have been fortunate enough to achieve a college and/or
8 professional degree talking about themselves and it all
9 admitting that we're just one generation away from
10 poverty.
11 And so, your statement, and I quote, to the
12 effect that it's doubtful whether fostering mobility
13 through broadening access to post-secondary degrees
14 will be maintained in the future, I hope you're wrong
15 on that, but I wanted to know how it is that you came
16 to that conclusion if you would, please, talk to us a
17 little bit more about that.
18 MR. PFEFFER: Uh-huh, I'd be happy to.
19 Thank you for the question. So, this is B and I skipped
20 over some of this in the interest of time, an interesting
21 finding from a recently published study that I did that
22 asks why exactly was the broadening of college education
23 successful at increasing mobility? So, that's the
24 finding that we came up with, which probably isn't all
25 that surprising.

1 And I think intuitively many believe that,
2 well, you know, if more people go to college, that means
3 it's probably, you know, there is more equal access to
4 college.
5 That is not the case. In fact, in the U.S.
6 over the last 50 years and in many of our OECD nations,
7 it has been shown that with more people going to college,
8 it does not necessarily mean that the chances to attain
9 a bachelor's degree becomes more equal.
10 Think of it as a pie. The pie grows, but
11 the slices stay the same, right? The question is, who
12 takes advantage of these additional vacancies in higher
13 education?
14 So, that's sort of the bad news that the
15 broadening of, you know, the expansion of that sector
16 has not really reduced inequality, but there is an
17 important contribution it has made to mobility.
18 And that is as I've referred to before,
19 this, you know, this idea of the college degree as the
20 great equalizer.
21 Once you do hold a college degree that has
22 been shown in the '80s and most recently in that
23 publication, your social background ceases to have
24 direct impacts of where you go next.
25 So, the more people you get to that level

1 for more people for a larger share of the population,
2 social background ceases to have further effects on
3 their labor market careers.
4 And if that is the affect that educational
5 expansion had on mobility, that alone, that mechanism
6 alone contributed to increasing mobility.
7 Now, unfortunately, for the last 30 years,
8 educational expansion has slowed down and come to a
9 complete halt and we're falling behind other nations.
10 So, that avenue, that effectively has been shut off in
11 terms of increasing mobility in the future.
12 VICE CHAIR TIMMONS-GOODSON: One other
13 quick question for Dr. Flores. One of our earlier
14 presenters indicated to us that in terms of looking at
15 graduates from historically black colleges and
16 universities, you can see a large representation of them
17 in graduate and professional schools. That while HBCUs
18 graduate a fairly small percentage of black graduates,
19 they are over represented, so to speak, in the numbers
20 of masters and Ph.D.s.
21 I was wondering when we look at Hispanic
22 B what's the phrase? Hispanic-serving institutions,
23 whether there is any data out there with regard to --
24 DR. FLORES: Well, that has changed over
25 time because as Hispanics have become more than entering

1 college, they're also entering other institutions.

2 So, for example, my son went to Stanford.

3 My daughter went to Berkeley. I went to UCLA and

4 Stanford, you know. I was very fortunate in being able

5 to go to those kinds of institutions, but, still, for

6 the most part it's where the majority of Hispanics get

7 their undergraduate education is in an Hispanic-serving

8 institution.

9 VICE CHAIR TIMMONS-GOODSON: And that's

10 what I'm asking.

11 DR. FLORES: Doesn't mean that that's all,

12 but that's the majority.

13 VICE CHAIR TIMMONS-GOODSON: And that's

14 what I'm asking. Looking at those that are graduating

15 from the Hispanic-serving institutions, how are they

16 in terms of our numbers, in terms of masters and Ph.D.

17 programs?

18 Do you have any data on that?

19 DR. FLORES: I do not with me.

20 VICE CHAIR TIMMONS-GOODSON: Okay.

21 DR. FLORES: We can get that data. Just to

22 give you an idea, we only have 14,500 students, but we

23 rank 37th in the country in graduating Hispanics with

24 bachelor's degrees. And 41st in the country in

25 graduating African-Americans.

1 So, a small institution like us is in the
2 top 50 for the whole country in graduating both Hispanics
3 and African-Americans. So, we're doing something
4 right.
5 For those large institutions, one, they're
6 not bringing them in. And a lot of those B now, that's
7 not to say that a lot of them aren't graduating.
8 I would love to see more African-Americans,
9 more Hispanics at Stanford. I'd love to see them more
10 at UT. Texas A&M has a very small portion of
11 African-American and Hispanics. I'd like to see them,
12 you know, there, but also succeed.
13 And certainly we are seeing the numbers in
14 percentages of Hispanics and African-Americans at
15 non-Hispanic institutions, including Texas A&M and UT,
16 going into doctorate programs and getting their Ph.D.s.
17 So, that's important and I support that, but, still,
18 where the base is, is in Hispanic-serving institutions.
19 CHAIRMAN CASTRO: Commissioner Yaki, you
20 have the last question.
21 COMMISSIONER YAKI: Thank you very much.
22 This is directed toward Ms. Santiago. And I think, Ms.
23 Elliott, you might want to chip in as well.
24 One of the things that has struck me about
25 the discussion here today is we are focusing a lot on

1 the aid component and the wealth component, but there's
2 also the programs that once they're in there, help keep
3 them in there. That's part of the federal financial aid
4 platform as well through TRIO.
5 I'm especially thinking of Student Support
6 Service as well, which I guess is a competitor grant
7 program, but maybe I'd like to hear more from you about
8 whether that is really enough.
9 I mean, does it need to be, you know, TRIO
10 on steroids? Does it need to be B what kind of, as you
11 said, intrusive involvement do you need? And as you
12 reference, you know, what can we do better in terms of
13 the federal presence to help keep these students once
14 they're in regardless of whatever their debt burden may
15 be.
16 The fact is they'll have a much better
17 chance of paying it off if they get through and if they
18 graduate.
19 So, if you could just elaborate on that,
20 because I think that's something we haven't quite
21 touched upon in this part. I'd like to hear what you
22 have to say about it.
23 MS. SANTIAGO: Thank you. So, you know,
24 interestingly enough TRIO is part of Title 4, which is
25 in financial aid and was intended to be complementary

1 to the funds.

2 And the challenge is because it is
3 competitive and it goes to institutions, you don't have
4 that consistency.

5 And while there are six programs that are
6 part of TRIO, not every institution has all six. So,
7 you've got slices and components.

8 Some are more student intensive, and that's
9 one I'll mention, but there are others like OPE that
10 just give basic information and don't do a deep dive
11 and help students.

12 The variance we see, and this is why I
13 mentioned that intrusive advising, is that especially
14 when it comes to issues of persistence to completion,
15 that access to support services like those offered in
16 Student Support Services do make a difference.

17 To be effective, they tend to have small
18 cohorts. We know cohorts matter a great deal for
19 students, especially low-income first-generation,
20 which is who TRIO serves, but I think we're serving less
21 than a third of students who are eligible for TRIO given
22 the definition of those that they serve.

23 And so, that alone means we're not even
24 meeting the needs of those that are there.

25 COMMISSIONER YAKI: Just a quick question.

1 MS. SANTIAGO: Please.
2 COMMISSIONER YAKI: And I'd like to hear
3 what you have to say, Ms. Elliott, as well. A third
4 sounds like a lot, but I think that part of it depends
5 on what the definition of who is eligible B is the
6 definition itself too restrictive as is right now?
7 Should it be expanded a little bit more to encompass
8 more disadvantaged, more minority students who would
9 be in the pipeline, make them more eligible for these
10 kind of services?
11 MS. SANTIAGO: So, the definition in TRIO
12 is low-income first-generation students. And so, it's
13 intentionally intended to target.
14 The third includes all six programs. So,
15 if you just look to Student Support Services, we're
16 serving many fewer than that.
17 Do I think the definition should be
18 expanded? I don't think so. I mean, the fact that we
19 make more students eligible and we have less resources
20 and less programs available means that our targeting
21 efforts to low-income first-generation is further
22 limited or watered down.
23 So, I'll finish and then my colleague might
24 want to jump in here. I do think for these low-income
25 first-generation students, we find they need the kind

1 of college knowledge and information that helps them
2 sustain.
3 When the institutions tend to front load
4 financial aid and if they don't have the support services
5 to sustain their persistence at an institution, they're
6 not going to complete.
7 And the investment we make publicly in Pell
8 Grants in that front loading we don't take advantage
9 of, because we don't help them complete. And programs
10 like Student Support Services allow that.
11 MS. ELLIOTT: So, I don't have data
12 specifically on services within colleges and what's
13 happening in terms of completion.
14 I'm seeing people, though, in our data on
15 the back end. People who have not completed who have
16 lots of student debt and are feeling a lot of regret
17 about that debt.
18 And when you look at their overall balance
19 sheet health, you look at all of their financial data
20 in their household, it's really impacting their
21 long-term financial outlook.
22 So, this is a larger thing that actually
23 needs to be considered here in that this taking on debt,
24 not completing then sets them up for a life of being
25 a step behind. And it speaks again to this piece that

1 Fabian was speaking to earlier, this wealth inequality.
2 We're seeing that in another set of
3 analyses, parents who are still carrying student debt
4 are then unable to launch their children in a way that
5 sets them up well for life. So, it tends to be this
6 legacy of debt.
7 CHAIRMAN CASTRO: Thank you, everyone.
8 All the panelists, we appreciate the time and your frank
9 and informative discussion with us.
10 So, the record is open for 30 days. If you
11 have additional information you want to present to us,
12 you can check back with Ms. Angela French-Bell.
13 So, thank you, and we'll ask the next panel
14 to begin to work your way up while we change the name
15 cards. Thank you.
16 (Whereupon, above-entitled matter went off
17 the record at 4:26 p.m. and went back on the record at
18 4:27 p.m.)
19 CHAIRMAN CASTRO: All right. Thank you
20 for getting ready so quickly. We're going to now begin
21 the final panel of the day.
22 For those of you panelists who were not here
23 earlier, there's a system of warning lights here.
24 Green, yellow, red.
25 Green means start. Your seven minutes

1 start to run. Yellow, you've got two minutes to wrap
2 up.
3 And then red, if you could just wrap it up
4 and finish right there, then we'll then open it up for
5 questions from the commissioners.

6 **PANEL IV**

7 **SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE II**

8 CHAIRMAN CASTRO: Let me introduce the
9 individuals who are on our panel now and then we'll get
10 started.
11 So, our first panelist is Ms. Kati Haycock
12 with the Education Trust. Our second panelist is Quyen
13 Dinh with the Southeast Asian Resource Action Center.
14 Our third panelist is Mr. Stephen
15 Thernstrom of Harvard University and husband of our
16 former vice chair. Please give her our regards.
17 And our fourth and last panelist for this
18 last panel is Dr. Leticia Bustillos with the National
19 Council of La Raza.
20 I want to ask each of you to raise your right
21 hand and be sworn that the information that you are about
22 to B that you swear or affirm that the information you're
23 about to provide to us is true and accurate to the best
24 of your knowledge and belief; is that correct?
25 GROUP RESPONSE: Yes.

1 CHAIRMAN CASTRO: Thank you. Ms. Haycock,
2 you have the floor.
3 MS. HAYCOCK: So, as Americans, we tell
4 each other in the world two really important stories
5 about who we are as a country.
6 The first one of course is that we're the
7 land of opportunity. Whether your parents were born in
8 a village in India or in the hollers of western Kentucky,
9 we are the place above all others where if you work hard,
10 you can become anything you want to be.
11 The second story we tell each other in the
12 world is one of constant intergenerational advancement
13 that each generation of American parents through hard
14 work and savings can assure its children a better
15 education and, in fact, a better life.
16 Those stories, as you know, are very
17 powerful. They are pervasive in how we think about
18 ourselves as a country, but the fact of the matter is
19 they are no longer true.
20 As other witnesses have told you today,
21 there are very fast-growing gaps in both wages and wealth
22 in this country and growing problems with social
23 mobility as well.
24 Now, in fact, instead of being the country
25 on earth where if you work hard it is easiest to escape

1 poverty if you born poor, we are now tied with UK for
2 being the place on earth where if you're born into
3 poverty, it is hardest to escape living your life in
4 poverty.
5 As I recall, I think we fought a revolution
6 to avoid that fate, but we seem to have gone there
7 nevertheless.
8 When you think about all that at the macro
9 level, you know that a quality education is not the only
10 thing that needs to change in order to turn those
11 patterns around.
12 There's a lot of things that important
13 enlightened public policy could do, but at the
14 individual level a quality education literally is the
15 only way out.
16 As generations on generations of
17 African-American parents who have taught their children
18 a good education is literally the only thing that nobody
19 can ever take away from you.
20 And as Diana said earlier, today if you're
21 born poor, just under half of you will stay in poverty
22 without a bachelor's degree. And another 20 percent
23 will stay pretty close to poor, but with that bachelor's
24 degree the stickiness drops to about one in six.
25 And for African-American males, the

1 differences are even more stark. For those without a
2 high school diploma, literally 68 percent will be
3 imprisoned by age 34. With a high school diploma, that
4 number drops to 21 percent. With a college degree, to
5 six percent.
6 So, what we do in education in our schools
7 and colleges really matters. Really matters.
8 So, how are we doing? When you look at the
9 numbers on the access side, we've provided the alum data
10 with this, but I won't go into those numbers now, what
11 you see is a lot of progress over the last 30 years and
12 access is going up for all groups of young people, but
13 there are very big differences in access to what and
14 the types of institutions to which students get access
15 and differences too in success once there.
16 Indeed among the many low-income students
17 and students of color who begin in a two-year college
18 with an aspiration to get a bachelor's degree, the
19 question is how many actually end up getting that degree?
20 Fewer than 14 percent.
21 But you add all those patterns up and what
22 you see is very different rates of degree acquisition
23 for different groups of Americans.
24 The bachelor's rates in this country for
25 African-Americans are roughly one half of them, more

1 than one half those for whites. For Latinos, only
2 one-third. And when you look at the difference by
3 family income, even more glaring differences still.
4 So, the question of course is what's going
5 on here? What's behind this? There are a lot of folks
6 in higher education who would like you all to believe
7 that those patterns are mostly the result of two things:
8 lousy high schools, and stingy federal and state
9 policymakers. And the fact of the matter is that people
10 who believe that aren't entirely wrong.
11 As all of you know, low-income students and
12 students of color in this country continue to be
13 educated in schools where we spend less on their
14 education, where we expect less of them, and assign them
15 our least well-educated and least experienced and,
16 frankly, least-effective teachers. So, yes, poor
17 preparation is part of the reason for those numbers.
18 It is equally true that poor government
19 decision-making is part of the problem.
20 You all know that the cost of going on to
21 college has gone up faster than anything else in our
22 economy. And the Pell Grant, which is the main vehicle
23 for low-income students to afford college, has simply
24 not kept up.
25 What's important for you to know, though,

1 is this is not because the federal government isn't
2 spending a lot more money on student aid. They are.
3 What has changed is who those dollars are being spent
4 on.
5 Huge numbers of federal dollars, more than
6 21 billion, are being spent through the tax programs
7 now which benefit not so much the low-income students
8 who are targeted by Pell, but middle and even upper
9 income students who actually don't need help or
10 certainly don't need it nearly so much.
11 So, yes, in fact, government aid is part
12 of the problem. But what's really important for you to
13 know is that the choices colleges make also turn out
14 to be hugely important in who goes and who doesn't.
15 Colleges themselves turn out to be very important actors
16 in this drama of shrinking opportunity in this country.
17 For one thing, colleges and universities
18 have their own financial aid money. It's called
19 institutional aid money. $21 billion last year.
20 They decide who to spend those dollars on,
21 but the shift in those dollars away from low-income
22 students has actually been more dramatic than the shift
23 in federal or state dollars.
24 For example, back in the '90s public
25 universities in this country spent more dollars of their

1 student aid dollars on the lowest income students than
2 they did on their richest.
3 Today, they spend more of those dollars on
4 their richest students than on their poorest.
5 In private universities, the shift has been
6 even more dramatic with students in the top income
7 quintile getting a lot more financial aid money from
8 private institutions than students in the bottom. And
9 the impact of that on students from low-income families
10 has been devastating.
11 The typical student from a low-income
12 family after all grant aid is received from the federal
13 government, from the state government and from the
14 institution, still has to come up with an amount roughly
15 equivalent to 75 percent of that student's family entire
16 annual income.
17 So, the choices colleges make are really
18 important in who comes and who doesn't, but it also true
19 that the choices colleges make are hugely important in
20 who graduates and who doesn't, you know.
21 You can look at overall graduation rates
22 and I've showed you those numbers, but underneath those
23 there are very, very different rates.
24 Some colleges consistently get 90 percent
25 of their students through with a degree in six years.

1 Some get ten percent.
2 And while some of that is about differences
3 in preparation, differences in poverty, it turns out
4 that when you dig underneath the data, what you see is
5 some institutions consistently get more of their
6 students through with a degree than others that serve
7 exactly the same students. And the differences in their
8 underrepresented students are even bigger.
9 We have some very large institutions in this
10 country that have, for example, no graduation rate gaps
11 between their black and white students. Florida State
12 University, Georgia State University are two examples
13 of that.
14 Some institutions that serve exactly the
15 same students have 20-point gaps, 30-point gaps,
16 40-point gaps.
17 CHAIRMAN CASTRO: I'm going to ask you to
18 B
19 MS. HAYCOCK: Right. So, some of this is
20 about what institutions choose and that's important to
21 understand as well. Thank you.
22 CHAIRMAN CASTRO: Ms. Dinh.
23 MS. DINH: Thank you so much for inviting
24 SEARAC to testify today to talk about the challenges
25 of Southeast Asian-American students to higher

1 education access, as well as affordability.
2 Founded in 1979, SEARAC is a national
3 organization that advances the interest of Cambodian,
4 Laotian and Vietnamese-Americans, communities that
5 came to the U.S. after the U.S. involvement in Southeast
6 Asia in the '70s.
7 As a child of refugee parents, I was the
8 first in my family to graduate from college. So, the
9 data that I'm going to share with you is personal.
10 It reflects the lived experiences of seeing
11 myself graduate while my brothers and my cousins did
12 not.
13 Across the country our communities
14 experience tremendous education inequities. And the
15 reason for these troubles are deep. And it comes down
16 to understanding one key factor.
17 The experience of our refugee parents, the
18 broken communities that we were resettled in directly
19 influenced their child's life outcomes so that being
20 born here in the U.S. was not a silver bullet towards
21 educational and economic mobility.
22 And from SEARAC's extensive experience and
23 research, the challenges that Southeast
24 Asian-Americans faced are often rendered invisible when
25 we are lumped under the larger Asian-American umbrella

1 that consists of more than 48 separate ethnic
2 communities.
3 To date, Southeast Asian-Americans are the
4 largest refugee communities to ever be resettled in the
5 U.S. numbering at close to 2.5 million. And
6 disaggregated data shows us that our communities face
7 low rates of both high school completion and college
8 completion.
9 The 2010 census showed us that over 30
10 percent of all Southeast Asian-American communities
11 lacked a high school degree compared to only 15 percent
12 of the American public and 14 percent of the overall
13 Asian-American community.
14 And additionally, over 50 to 66 percent of
15 our community members never attended college compared
16 to just 40 percent of the U.S. overall population and
17 Asian-Americans overall.
18 And our communities arrived 40 years ago
19 as refugees and the experience, the unique challenges
20 that we faced are about the skills that our parents
21 brought, navigating both K-12 and higher education
22 systems with very limited English capacity, knowledge
23 about the systems, as well as economic barriers.
24 So, to begin, for Southeast Asian-American
25 students, what your parents brought with them mattered.

1 Research about immigrant and refugee
2 students indicate that a parent's educational level of
3 attainment in their home countries is highly predictive
4 of how well their students will do here in the U.S.
5 And for Southeast Asian-American
6 communities, the majority of refugees came from agrarian
7 backgrounds with very low levels of fluency even within
8 their home countries.
9 As refugees and immigrants to this country,
10 our communities face tremendous linguistic barriers
11 where over 38 to 52 percent of our communities speak
12 English less than very well adversely impacting the
13 amount of resources that English language learner
14 students need in school to actually become proficient,
15 adversely affecting college performance rates that
16 require very rigorous English proficiency skills and
17 often resulting in students dropping out of college.
18 So, one research study found that four out
19 of five students who attend community colleges from
20 Asian-American backgrounds have to take remediation
21 English courses.
22 And similar to other communities of color,
23 Southeast Asian-American experience extreme poverty.
24 Whereas the U.S. poverty rate is about 15 percent for
25 U.S. families, the rate is higher for all Southeast

1 Asian-American communities from 16 percent of the
2 Cambodian community to up to 27 percent of the Hmong
3 community.
4 And in addition to being more likely to drop
5 out of high school, these economic barriers create
6 tremendous financial barriers for students who are
7 financing their education for the first time.
8 In reviewing data about Pell grant
9 recipients, we find that the average amount given to
10 Asian-American students are higher than all other
11 communities of color, including blacks, Hispanics and
12 American Indian students, suggesting that
13 Asian-American students who are accessing these Pell
14 grants come from the communities with highest financial
15 need.
16 And contrary to media sensationalism
17 around Asian-Americans being locked out of ivy league
18 colleges, the majority of Asian-Americans and Southeast
19 Asian-American students actually attend two-year
20 colleges. Over 55 percent.
21 And for Southeast Asian-Americans, up to
22 48 percent report attending college, but never obtaining
23 a degree. These students are also more likely to enter
24 college with more risk factors, including not having
25 a high school diploma and working full time while going

1 to school.
2 And finally, because students are the first
3 in their families to be attending college, there are
4 very limited resources and information to families on
5 how to actually apply, how to actually access these
6 different systems.
7 And while programs like TRIO actually are
8 tremendously useful, very rarely do these programs do
9 specific outreach to Asian-American students or
10 Southeast Asian-American students specifically.
11 And when you look at the rates of
12 socioeconomic mobility, we know that what we're seeing
13 is generational poverty. We know that Southeast
14 Asian-American students B I'm sorry B Southeast
15 Asian-American communities have the highest
16 unemployment rates when you look at the Asian-American
17 community in general at over ten percent.
18 And finally, the two highest concentrated
19 industries which Southeast Asian-Americans work in are
20 low-paid labor jobs including manufacturing being the
21 number one, and the service industry being number two.
22 So, this year marks the 40th-year
23 anniversary of our communities being here in the U.S.
24 And the alarming data that we see around educational
25 disparities, around economic disparities, suggest to

1 us that this is a systemic problem that requires policy
2 solutions, that requires rigorous discourse.
3 So, on behalf of SEARAC, I thank the
4 Commission for including Southeast Asian-Americans in
5 this dialogue about equity, about access, about
6 affordability to make sure that we, as a country, meet
7 students where they're at meeting their direct needs
8 and maximizing their full potential.
9 CHAIRMAN CASTRO: Thank you. Mr.
10 Thernstrom.
11 MR. THERNSTROM: Thank you very much for B
12 CHAIRMAN CASTRO: You can turn your mic on.
13 MR. THERNSTROM: Yeah. Thank you very
14 much for having me here. I'm sorry I couldn't attend
15 the earlier meeting and that I might better understand
16 what the issues really are here.
17 The formulation given is that it is hope
18 to somehow B to examine the possible reasons why
19 minorities may have difficulty accessing four-year
20 flagship universities, and I would question whether this
21 is the goal.
22 It would be desirable if there were no
23 disparities of any kind in the rates of students
24 attending highly selective institutions, but highly
25 selective institutions, by definition, are attempting

1 to pick the best students they can and have faculties
2 that are well-equipped to deal with students at that
3 level.
4 It does not mean, therefore, that taking
5 students with much weaker academic preparation and the
6 racial gaps today, I hope to have time to look at a couple
7 of them, but, first, the racial gaps today are so great
8 that it's very hard to imagine a vast increase in the
9 number of students who could enter Georgia Tech, let
10 us say, or MIT and have the mathematical background to
11 get through their freshman year.
12 There are enormous differences and these
13 colleges have curriculum and focus their instruction
14 at the level of their average or above average students.
15 And I see here a strange kind of prestigism
16 at work in the formulation as if -- in the state of
17 Michigan, which I come from, there were students in my
18 graduating class at Battle Creek High School who went
19 on to Western Michigan University. Others more
20 academically prepared went to Michigan State. And
21 those who were the top students went to Ann Arbor.
22 Now, if the students going to Western
23 Michigan had all been transplanted to Ann Arbor, I can
24 assure you that the rate of dropping out of college would
25 have been astronomically high.

1 And I furthermore would suggest that the
2 more prestigious an institution of higher learning is,
3 the less concerned its faculty is with teaching
4 students, except graduate students.
5 That is, I've taught at Harvard more than
6 40 years, I've taught at UCLA for four years, I taught
7 at Brandeis a couple of years and I can assure you that
8 when faculty appointments at such schools are made,
9 there is very little discussion of their teaching
10 qualifications, except in a rare case when people will
11 say, yeah, you know, she is really brilliant, but I
12 really can't understand a word of what she's saying and
13 she carries on too long and so on, but, believe me, it's
14 the publications, the research and writing that
15 determines who is on the faculty in Ann Arbor, who in
16 Michigan State, who in Kalamazoo.
17 So, I think it is fallacious to think that
18 it's an important objective to getting students into
19 these quality B higher quality institutions. The main
20 thing is to somehow help more students develop the skills
21 so they can flourish at the University of Michigan rather
22 than Western Michigan at Kalamazoo.
23 Now, the gaps in academic preparation, my
24 wife and I ten plus years ago wrote a book on this, "No
25 Excuses: Closing the Racial Gap in Learning."

1 And our examination of the data there, the
2 most shocking bottom line is that the average black
3 student at 17 performs at or below the level of the
4 average white student at 13.
5 There is a four-year skills gap. And I
6 haven't been following this. I've been doing other
7 things since then, but I did get back into the data site,
8 used their explorer tool and calculated the new figures.
9 And despite No Child Left Behind, countless
10 new programs of every kind, that fundamental gap remains
11 unchanged.
12 So, you have very large proportion of black.
13 To a lesser extent Latino. I was impressed with the
14 signs of progress for Latinos, but for blacks the
15 percentage leaving school around 17 whose skills in
16 reading is close to or below basic, let's call it, and
17 that is, believe me, very basic indeed, is close to half.
18 And for below basic in math, the gap is even larger.
19 I have it somewhere in here. I think it's 62 percent
20 below basic.
21 Now, there are students there who have the
22 potential to do brilliant work in time if something
23 intervenes. But if with compulsory public education,
24 a pretty richly funded K through 12 educational system,
25 if these gaps which have been the focus of endless

1 writing in recent years remain basically unchanged, I
2 don't see that tinkering around with somehow the
3 admissions requirements at Georgia Tech or something
4 will help at all.
5 Winning admission to the school of your
6 dreams is not like winning the lottery. And if the
7 school of your dreams is too damned tired given your
8 earlier development, it will be, in fact, very bad for
9 you. Your dreams will be crushed and you would be better
10 off in an institution, you know, where you're like many
11 other students and you're likely to have teachers who
12 know more about how to teach kids like you than the
13 faculty of Yale University.
14 CHAIRMAN CASTRO: Thank you, Mr.
15 Thernstrom.
16 Dr. Bustillos.
17 DR. BUSTILLOS: Thank you. Good
18 afternoon.
19 CHAIRMAN CASTRO: You can turn your mic on.
20 Thanks.
21 DR. BUSTILLOS: Thank you. Good
22 afternoon, Chairman Castro, Commissioners. Thank you
23 very much for this opportunity to speak on this terrific
24 panel and offer the perspectives of Latino students in
25 regard to access and success in higher education.

1 I am going to focus my remarks on three
2 critical areas that we've largely heard from our
3 students, which has also been bolstered by research,
4 as to what influences their choice of college
5 attendance.
6 The cost of college and the assumption of
7 debt is one of the primary factors that they've
8 identified.
9 We've also heard a great deal about their
10 college readiness to be successful college students.
11 And finally, talking about the very strong
12 family connections that guide and influence their
13 decision-making about post-secondary attendance.
14 I have been in the field of education for
15 two decades. For nearly two decades I have been a
16 teacher, I have been a professor and researcher of
17 education, and now I serve as an advocate with the
18 National Council of La Raza, which is the largest
19 national Hispanic civil rights and advocacy
20 organization in the country.
21 We have the benefit and the privilege of
22 working with nearly 300 affiliated community
23 organizations across the country with whom we are able
24 to have direct access to students to hear directly from
25 them what most concerns them about education and their

1 access and their opportunities to post-secondary.
2 Our core policy area, one of which is
3 education where we definitely aim to enhance the
4 opportunities of the nearly 25 percent of Latino
5 school-age children that are currently in our public
6 education system, with that 25 percent we are
7 particularly concerned about what happens after the K-12
8 experience and what access and opportunities they have
9 to post-secondary opportunities.
10 In our community, education has been viewed
11 as a way to achieve social and economic mobility.
12 Research that we've done definitely shows that higher
13 education provides greater returns than any other type
14 of investment, including stocks and bonds as college
15 graduates earn significantly more than non-college
16 graduates do.
17 We also know that in the United States any
18 individual from a low-income background can achieve any
19 income level even within the span of one generation.
20 These facts are not lost on our community.
21 89 percent of young Latinos agree that a college degree
22 is vital to getting ahead in life.
23 There is much that we are proud about. We
24 know that Latinos are enrolling in college in record
25 numbers. The statistics show that the share of Hispanic

1 students accessing college has grown tremendously.
2 Between 1972 and 2012 we've seen an increase
3 of more than 24 percentage points in the share of
4 Hispanics accessing higher education.
5 However, we are concerned that while we are
6 accessing higher education, we are not completing. The
7 degree attainment of Latinos significantly trails that
8 of other groups.
9 And given the fact that the majority of jobs
10 by 2020 will require some form of post-secondary
11 credential raises significant concerns for us that we
12 need more Latinos accessing post-secondary opportunity
13 and completing with a degree.
14 In talking to our students, we've heard
15 several complex factors influencing college
16 attainment.
17 The first and probably the most significant
18 concern for our students is, in fact, the rising cost
19 of college and the assumption of debt that they need
20 to take on to go to college.
21 Many of our students talked about though
22 college is their dream, they are unwilling for their
23 families to take on that responsibility, that huge
24 financial responsibility of college debt.
25 They are uncertain of what the future holds

1 for them. And so, to take on that risk is almost too
2 much for their families to take on.
3 In fact, we have the example of one student
4 who was, in fact, admitted to a prestigious four-year
5 college whose financial aid package nearly covers the
6 entire cost of attendance.
7 However, her expected family contribution
8 of $3500 seems insurmountable given that her family
9 income level is at the $20,000 level.
10 So, her concern about actually attending
11 is not that she's not getting the financial aid package
12 that makes it possible, it's how much can her family
13 realistically afford to send her there.
14 College readiness is another factor. And
15 when we talk about college readiness, we are not talking
16 about the readiness in terms of academic preparation.
17 We are talking about those other factors
18 including the access to information, the resources that
19 they have at their disposal, the strategies of what it
20 means to be a successful college student. And finally,
21 the mentoring that is available for students to make
22 those really good choices about where to attend and how
23 to succeed in college.
24 Many Latinos like myself are
25 first-generation college students who do not have that

1 familial legacy of a college attendance. So, we are
2 guessing a lot of this information about what it means
3 to attend college and succeed.
4 Without having the actual mentorship and
5 the advice to make those choices and to understand the
6 college-going process, it makes it significantly much
7 more difficult for us to get to that point of degree
8 completion.
9 Finally, we talk about the family. The
10 family is a strong influence in the Latino community.
11 Many of the students that we spoke to talked about that
12 strong family connection and their unwillingness to
13 select institutions that would take them either too far
14 away from their family or unnecessarily burden their
15 families with debt.
16 Many of those, for them, part is the
17 familial connection wanting to remain close to succeed.
18 Others are unable to take on to go away to college and
19 be unable to contribute to the household, to be able
20 to support the family either in the caring of family
21 members, or into supporting and contributing to the
22 economic reality that they face.
23 One of our students that we talked to was
24 actually accepted to Yale. He is from California, but
25 he himself said that he understands the privilege of

1 being accepted to such a prestigious institution, but,
2 again, the strong family connection makes him hesitate
3 about whether he will actually attend.
4 Finally, as I said, Latino students aspire
5 to a college degree. That is a dream that they wish to
6 attain.
7 However, the choices, the influences that
8 impacted their decision-making are really too great.
9 The cost of attendance, their own college readiness to
10 understand the college-going process and navigating
11 college. And then finally the strong family
12 connections have both the positive and negative
13 outcomes.
14 However, we want to stress, again, they want
15 to attain a degree. They see the degree as an
16 opportunity to a better life. And they aspire to that
17 better life not just for themselves, but for their
18 families.
19 And we at NCLR are looking to work with our
20 community, work with our elected officials so that we
21 can then develop those policies that make their dreams
22 a reality. Thank you.
23 CHAIRMAN CASTRO: Thank you, Dr.
24 Bustillos.
25 Do you want to begin the questioning now,

1 Commissioner?

2 COMMISSIONER ACHTENBERG: I would be happy
3 to.

4 CHAIRMAN CASTRO: All right.

5 COMMISSIONER ACHTENBERG: Ms. Bustillos,
6 are you familiar with the various forms of federal
7 investment in post-secondary like the TRIO and Gear Up
8 programs that focus on college readiness and then
9 college persistence?

10 And if you are, could you talk about whether
11 or not it's been the experience of your constituents
12 that they contribute to student's ability both to
13 receive admission, as well as to persist and graduate?

14 DR. BUSTILLOS: Absolutely. So, our
15 community, as I mentioned, many students in our
16 community are first-generation college students so that
17 the college knowledge at the very start of the college
18 process, as well as going through the college
19 experience, is not very well-known. They do not have,
20 as I mentioned, the family legacy of college attendance.

21 So, these federal investments and support
22 programs are absolutely essential to provide our
23 students with that necessary information, as well as
24 the advice and the mentorship that is often lacking
25 because their social networks do not have that college

1 background.

2 So, we would say that any effort to bolster
3 their knowledge, their success to develop the strategies
4 to become successful college students, is absolutely
5 essential for our community. And our students
6 definitely let us know that that is absolutely
7 necessary.

8 COMMISSIONER ACHTENBERG: Do you have any
9 familiarity with the PK program and the success of that
10 program? It's a program in California where the
11 community colleges and the California State University
12 work with parents.

13 It's focused primarily, not exclusively on
14 Latino students, but primarily on Latino students
15 working in community centers and other places with the
16 parents of aspiring college-going students.

17 DR. BUSTILLOS: Unfortunately, I do not
18 have direct knowledge of that program. However, I can
19 say that in working with other programs and hearing from
20 students who are part of other college mentoring
21 programs that do involve the parents, it is clear that
22 informing the parents about the college-going process,
23 why college is so important, the differences between
24 community colleges versus the four-year institutions,
25 again, helps not just the individual make those choices

1 that are best for him or herself and the family, but
2 makes the family buy in to the notion that college is
3 essential for moving ahead in life and to securing that
4 degree attainment that is essential for future
5 opportunities.
6 COMMISSIONER ACHTENBERG: So, would it be
7 surprising to you then that when these various PK
8 chapters, students from these chapters of PK enter the
9 university, they enter more prepared, they persist at
10 greater numbers, they graduate on time and with less
11 debt, in part, because it's explained to the parents
12 at the outset all the avenues for tuition assistance
13 that are available.
14 I'm talking now in California, for example,
15 if you're Pell Grant eligible and you're in a qualified
16 four-year institution, you're Cal Grant-eligible,
17 which is the state's grant, and then there's a grant
18 on top of that called the state university grant.
19 You put those things together with college
20 work study and there's essentially zero cost of
21 attendance, for example.
22 We have found in California that that's a
23 winning formula. And that has increased percentage not
24 just of college-going, but of degree attainment not
25 astronomically, but by many percentage points.

1 Are you familiar with programs like that
2 that have been successful in aiding students in going
3 to college in greater numbers, Latino students in going
4 to college in greater numbers and achieving the
5 baccalaureate degree?
6 DR. BUSTILLOS: So, the first part of the
7 question was, no, I am not surprised. I think it's,
8 again, as I indicated, those are absolutely essentially
9 programs to inform the entire family about how these
10 investments will, in fact, support the individual, as
11 well as for their goal to help their family in the long
12 term succeed.
13 I can speak to one program which I was very
14 closely involved with. I'm also from California. I am
15 from the Southeast Los Angeles area and I was a teacher
16 in a district, Montebello Unified School District.
17 And over the last three years we initiated
18 a program called the College Bound Today program.
19 In that program, alumni from the local high
20 schools are identified to serve as mentors. Alumni who
21 went on to colleges, who went on to the four-year
22 institutions so that they can come back into the schools
23 and advise college-bound students about the process.
24 Our work was to start with tenth graders.
25 So, that way we were their mentors from beginning in

1 tenth grade all the way to the point of completing their
2 applications, helping them with their statements.
3 And along the way, informing them about our
4 individual experience about what it meant to go to
5 college, what it meant for some of us to go away to
6 college so far away where there is a tremendous
7 hesitation about going such long distances.
8 A critical component of that program was,
9 in fact, the parent participation. We met on Saturdays
10 at least once a month for about three hours with both
11 the students, as well as the parents.
12 The parents received separate workshops
13 where they were able to not only ask questions about
14 why should I send my child to Massachusetts, you know,
15 how much better is Harvard than it is for my local
16 community college? And have those really in-depth
17 conversations about the financial aid process, the
18 differences between the types of institutions are
19 available.
20 If you were very set on having your child
21 stay, you know, much closer to home, identify the
22 differences between UCLA or a Cal State system. The
23 pros and the cons of both.
24 COMMISSIONER ACHTENBERG: Sure.
25 DR. BUSTILLOS: So, it does not surprise me

1 that students and family members who are part of these
2 types of programs have better persistence and retention.
3 It is just unfortunate that we don't have enough of them.
4 CHAIRMAN CASTRO: Madam Vice Chair.
5 VICE CHAIR TIMMONS-GOODSON: Thank you
6 very much, Mr. Chairman. My first question is for Mr.
7 Thernstrom.
8 Being the eternal optimist that I am, I was
9 really happy to hear you say that there are some students
10 B let me see B brilliant kids with potential to do it
11 in time. And I believe you were referring to overcoming
12 the performance gap between black and white students.
13 What would you suggest or what do you see
14 that could be done to help get those brilliant kids with
15 potential to where we'd all like to see them?
16 MR. THERNSTROM: Well, one thing, and I
17 haven't seen much writing on it B there may be tons of
18 writing I don't know about, but it does seem to be one
19 of the great features of our B
20 CHAIRMAN CASTRO: Could you speak a little
21 more into your microphone?
22 MR. THERNSTROM: I'm sorry.
23 CHAIRMAN CASTRO: That's okay.
24 MR. THERNSTROM: Many of our state
25 university/college university systems is transfer

1 opportunities.

2 I mean, I know a brilliant kid who was an
3 immigrant from France who ended up going to community
4 college somewhere in Florida. And after a year, his
5 teacher said it's crazy for you to be here and got him
6 a scholarship at MIT. And he got two degrees through
7 MIT.

8 And somebody else who was in some California
9 community college and transferred to Berkeley. And I
10 know that thousands do that each year.

11 And the best way to know whether you are
12 really capable of doing college work is to start
13 somewhere where you surely are capable and do so well
14 that you have an appetite for more challenging
15 instruction.

16 So, I think that is something that, you
17 know, I'm sure it varies a lot from state to state and
18 there may be states that don't allow or encourage this
19 and that would be something I would like to see changed.

20 I also was going to refer in my statement
21 to a point you referred to about the role of the
22 historically black colleges and universities, which
23 strikingly at a time when they were producing like 20
24 percent of the bachelor's degrees for blacks in the
25 country, produced 40 percent of blacks with degrees in

1 STEM fields, math, science, technology.
2 And that such students, I think, who
3 probably came with, you know, skills that would not have
4 allowed them into Georgia Tech or whatever, they were
5 in a place that knew how to teach them and challenged
6 them enough and kept their interest up.
7 Whereas it's one of the clearest patterns
8 with preferential admissions at elite institutions is
9 that blacks enter Duke and Dartmouth and all the rest
10 of them intending just as much as whites do to major
11 in science, but very quickly they shift their
12 preferences because science, the grades are very clear
13 and there's no arguing about them. And they didn't do
14 as well in science as kids who went to prep schools and
15 so on. So, they just gave up on science.
16 In a less-demanding, you know, program of
17 science instruction they would have flourished and maybe
18 then they would have gone on to MIT or something, but
19 that's a good example of instruction tailored to where
20 the students are and advancing them at a reasonable pace.
21 VICE CHAIR TIMMONS-GOODSON: Thank you
22 very much. If I could, Mr. Chair B
23 CHAIRMAN CASTRO: Please.
24 VICE CHAIR TIMMONS-GOODSON: -- one other
25 question. This is for President Haycock.

1 You talked about institutional income and
2 you stated that colleges through the choices that they
3 make, play a significant role in deciding who graduates.
4 That brought to mind a decision that was
5 made in North Carolina back in August of last year by
6 our UNC Board of Governors. And what they did was voted
7 to cap the tuition revenue that could be used by our
8 member institutions toward need-based aid. They capped
9 it at 15 percent.
10 So, institutions like my alma mater,
11 UNC-Chapel Hill, could not use tuition dollars to aid
12 B to provide financial aid.
13 And so, the reality is and has been that
14 the student's debt, you know, has to increase.
15 Now, they explained that by saying other
16 families' tuition or the tuition paid by other families
17 was partially going to fund students, other students'
18 financial aid packages. And that just was not right.
19 Are you aware of any other states that have
20 taken similar action? I just don't understand it.
21 MS. HAYCOCK: I think North Carolina holds
22 the award for most self-defeating action in recent
23 memory. It is true that many other university systems
24 take that institutional aid money and spend it on
25 students who at least need it, but the Board's decision

1 to actually cap the amount of money that could be used
2 for need-based aid will create huge problems down the
3 line for North Carolina's future.
4 VICE CHAIR TIMMONS-GOODSON: Anybody else
5 making decisions that B
6 MS. HAYCOCK: Pardon me?
7 VICE CHAIR TIMMONS-GOODSON: Any other
8 institutions or states that you're aware of making
9 decisions that are that poor?
10 MS. HAYCOCK: That are that poor?
11 VICE CHAIR TIMMONS-GOODSON: That poor.
12 MS. HAYCOCK: Decisions that are that poor
13 as opposed to states that are that poor. North Carolina
14 will get poorer as a result of its decision. Let's put
15 it that way. But, again, no, I am unaware of any other
16 system.
17 That doesn't mean there isn't one that has
18 made a bad decision like that, but that said, that's
19 a remarkably short-sighted decision.
20 VICE CHAIR TIMMONS-GOODSON: Thank you.
21 CHAIRMAN CASTRO: Commissioner Narasaki,
22 do you have a question?
23 COMMISSIONER NARASAKI: Thank you, Mr.
24 Chair.
25 CHAIRMAN CASTRO: You're welcome.

1 COMMISSIONER NARASAKI: I have a couple
2 quick questions.
3 CHAIRMAN CASTRO: Uh-huh.
4 COMMISSIONER NARASAKI; One is for Ms.
5 Dinh. So, you mentioned that you felt TRIO was an
6 important program, but unfortunately -- and I'm
7 characterizing what you said. So, feel free to correct
8 it, but my understanding was you were saying that they
9 weren't doing a sufficient job of really reaching out
10 to the Southeast Asian students.
11 So, can you elaborate about, you know, what
12 would you recommend TRIO needs to do to fix that problem?
13 MS. DINH: Right. So, the data that we have
14 about TRIO is really limited as a lot of education data
15 is around Asian-American students, because there really
16 isn't any disaggregation within that Asian category.
17 So, within Asian B which are the students who are
18 actually being served by TRIO.
19 That said, the community experience we have
20 demonstrates that there are always a pocket, a handful
21 of Southeast Asian-American students who get into these
22 programs in California, in Texas, in Georgia, in
23 Minnesota, in Seattle, Washington.
24 In Seattle, Washington, the story that
25 we've learned is that it really comes down to the

1 individual institution and whether or not they have
2 enough knowledge to reach out to Asian-American
3 communities.
4 My major recommendation would actually be
5 to provide clarification that within this category of
6 first-generation low-income students you have a very
7 big population of Southeast Asian-American students who
8 are also eligible.
9 I don't think B I think that there is big
10 will and intention to serve our students. And I say that
11 because every time we do our presentation at conferences
12 nationwide, we always run into a TRIO advisor who says,
13 I had no idea. How do I work with you to get this word
14 out more?
15 So, I think it's about educating those TRIO
16 program officers and providing them with information
17 on eligible communities.
18 And something that Deborah Santiago said
19 was very interesting. She mentioned that she felt that
20 perhaps only a third of the total population of students
21 who are eligible for TRIO were actually receiving it,
22 which, to me, I can attest to that.
23 I was a low-income first-generation
24 student. I had no idea TRIO existed. No idea. And I
25 can't say why, you know.

1 There weren't any counselors who came to
2 my high school to do outreach with me. Within our
3 student organization at Berkeley, very few of our
4 Southeast Asian-American students were part of the TRIO
5 program. So, I think it is about education.
6 COMMISSIONER NARASAKI: Thanks. And
7 then, Ms. Haycock, you mention in your testimony, I think
8 it might have been in your written testimony, that over
9 the years colleges have shifted who they spend their
10 money on.
11 So, what can be done, you know? So, what
12 should Congress be doing when it looks at these programs
13 again in order to try to prevent that from happening?
14 And, also, a similar question about there's
15 some B many critics who say that some aspects of the
16 federal financial aid has actually been part of the
17 reason why prices have gone up, tuition prices have gone
18 up, and do you feel that's true?
19 And if so, what would be the policy
20 prescription to prevent that from happening short of
21 ending the programs?
22 MS. HAYCOCK: Yeah, let me answer your last
23 question first, if I can. There have been quite a number
24 of researchers who have looked into the question do
25 increases in federal aid tend to prompt increases in

1 college costs? And I think the general conclusion is
2 no.
3 As you know, they're not even close to
4 keeping pace with the explosion of costs. There are a
5 lot of other drivers for those costs, including in the
6 public sector the disinvestment of state government.
7 So, I think that the suggestion that if we
8 invest more aid, colleges will inevitably increase their
9 price, is just not borne out by the data.
10 In terms of what can the federal government
11 do, I mean, the other organizations at the table will
12 assure you that all three of us are very interested in
13 robust federal policy in both K-12 and higher ed.
14 It is a little tough to see what Congress
15 can do about the use of institutional aid dollars.
16 Those aren't entirely within the purview of
17 institutions.
18 What's happening here is generally a quest
19 to move up the ratings ladder. The attempt at a federal
20 rating system is a bit of an attempt to sort of counteract
21 that with another way of rating colleges.
22 Whether that will ever happen, whether it
23 will have its intended affect we don't know, but that's
24 really the driver here much more so than what federal
25 government does. And I, for one, cannot imagine a federal

1 policy that will have a major effect on that.

2 The federal government could, you know, at
3 the top of the higher ed pyramid are a set of institutions
4 that are extremely wealthy and that serve very few
5 low-income students. Far fewer, by the way, than the
6 data would suggest meet their standards. And I want to
7 be clear about that.

8 So, the federal government could because
9 it gives those institutions huge tax benefits, it could
10 say unless you are serving at least your fair share of
11 low-income students, you begin to lose the tax benefits
12 that you enjoy, which are huge when you look at them
13 per student. Much bigger than the tax benefits or the
14 spending benefit that public institutions get.

15 VICE CHAIR TIMMONS-GOODSON: Can I ask one
16 more?

17 CHAIRMAN CASTRO: Go ahead.

18 VICE CHAIR TIMMONS-GOODSON: So, we also
19 are receiving testimony about accreditation and the
20 connection between accrediting organizations and the
21 eligibility of schools to participate in the federal
22 programs. And I have to admit I find it a little
23 confusing.

24 I don't know if that's something you follow.
25 And if you do, you know, what should we be paying

1 attention to there?

2 MS. HAYCOCK: Well, if it's helpful to
3 know, most of us find the accreditation landscape a
4 little confusing.

5 So, I think the simple thing that I think
6 I can tell you is there's general agreement within
7 traditional higher ed at least that the existing
8 accreditation system increases expense through
9 burdensome regulations that aren't really very
10 important.

11 I'm not entirely sure I agree with those
12 claims, but there certainly are, you know, lots of people
13 who agree with that.

14 I think what many of us would argue is that
15 what those systems don't do, however, is look at the
16 thing that's actually most important in determining
17 whether you ought to be allowed to administer federal
18 aid. And that is, do the students you admit actually
19 graduate, or are you producing more debt than degrees?

20 And there are no accountability provisions
21 despite the fact we give billions of dollars over to
22 colleges and universities, they are responsible for
23 nothing by way of graduating the students who are served
24 with federal dollars. And when you get dollars without
25 accountability, you are less likely to deliver.

1 And, you know, well, we can give them more
2 program money and I share the view that we provide
3 inadequate dollars through Support Service and now the
4 TRIO programs, but dollars without accountability for
5 improving results won't matter.
6 And programs by themselves don't make
7 enough of a difference. It's institution-wide culture
8 and acceptance of responsibility. Help students who
9 come in, get a degree that matters.
10 CHAIRMAN CASTRO: Commissioner Yaki.
11 COMMISSIONER YAKI: Thank you very much,
12 Mr. Chair. I'm not quite sure who this would go to. I
13 think it probably goes to all of you.
14 Obviously, you know, this is a hearing
15 that's limited to the subject at hand. And, you know,
16 part of me understands that education in and of itself
17 is all connected, you know.
18 When Dr. Thernstrom starts talking about
19 the gap in terms of skills, that goes B that's something
20 that this can't deal with right away. It goes all the
21 way down from preschool all the way up through twelfth
22 grade, but they said that we can start thinking a little
23 bit outside the box here.
24 Part of what we can do is be an institution
25 as the Commission that thinks outside the box and just

1 doesn't say, well, we should just tinker around this
2 edge here or just put more funding in here that's going
3 to make it work, but start thinking a little creatively
4 about how to deal with the situation.
5 And something that just came to my mind
6 during the hearing today is, are we really doing enough
7 to deal with the debt burden post-graduation? Is there
8 some kind of incentive that we can provide that if you
9 complete your degree, your debt starts to go down
10 immediately?
11 Right now we have a couple of programs where
12 you become a teacher, Teach for America, AmeriCorps,
13 things like that start to take a year off, what have
14 you, but I think that this is a bigger issue.
15 It's a bigger issue, because not everyone
16 wants to be a teacher. Not everyone wants to B they want
17 to go to different fields. They want to do other things.
18 Is there a way that we can start talking
19 about debt reduction just for being a good B based on
20 income as you come out of school that enables you to
21 pay what is equitable to your income level as you get
22 out of school. And then it may increase as you earn more
23 money.
24 But in the early years when you're not faced
25 with this giant coupon that you get, because I remember

1 getting that coupon from Sallie Mae when I graduated
2 from law school, because they at least deferred past
3 law school. But then as soon as it was over, I was
4 clerking for a judge and, bingo, I'm making, you know,
5 at that time clerking for a judge was not making that
6 much and all of a sudden you get that coupon from Sallie
7 Mae and you're going, wow, that is a big freakin' hit
8 on my income.
9 (Laughter.)
10 COMMISSIONER YAKI: You know, but is there
11 a way to start thinking about doing that that if you
12 make it through, if you complete, can you get into some
13 sort of forgiveness program based on your income or
14 scaling of the debt service on your income so that you
15 can deal with that?
16 Is there a way to tie or leverage TRIO funds
17 to institutions that says, we will give you these if
18 you also contribute X part of your own income toward
19 the kind of support services that help students stay
20 in these programs or in these curriculums.
21 Are there ways that their incentives within
22 specific curricula, whether it's STEM or what have you,
23 in institutions of higher education that, again, you
24 can leverage Pell, you can leverage SEOG, you can
25 leverage TRIO in a way that makes the Harvards or makes

1 the Yales. I went to Yale. So, I can say this because
2 God knows I paid a high interest rate when I graduated
3 from law school there.
4 Leverages them to say, you've got to put
5 a little bit more in, because we have a responsibility
6 to every student who enters your institution not just
7 that they can afford to go there, but that they're going
8 to finish going there and they can afford to live after
9 they get out, you know.
10 Those are the kinds of things I would ask
11 you in the next 30 days while we have this time, to come
12 back and think of those things because, you know, I'm
13 pointing out to you right now, and I don't expect you
14 to answer unless you have some great ideas you've been
15 harboring under a notebook for the last hour, but I think
16 that's the kind of thinking that we would like to see
17 and hear from you, because we've got to start thinking
18 differently about this, because we're just running
19 around in circles and we're chasing the same dollar over
20 and over again and saying, well, it's my dollar. No,
21 it's your dollar. We've got to start thinking a little
22 bit differently about it.
23 And so, I would just ask you to do that.
24 And if you have any comments about that right now, please
25 go ahead. I just kind of threw it open, because you all

1 sit there and go, what the heck did he just ask us?
2 MS. HAYCOCK: Well, I mean, there were a lot
3 of ideas in what you just said. Some of them already
4 acted on.
5 So, the Income-Based Repayment program
6 which is an often, in fact, a kind of default option
7 now for new graduates is, in fact, intended to do much
8 of what you've said. In other words, they key what you
9 pay each year to your income, but I would argue that
10 that's not by itself a sufficient strategy.
11 What we really need is to reduce the amount
12 of debt in the beginning. And we can do that through
13 much simpler strategies through getting more students
14 to take a full 15-hour credit load, which actually many
15 students are encouraged not to do, which is a terrible
16 disservice to them.
17 You're far more likely to graduate and to
18 succeed in your courses actually if you take a full load.
19 So, there are more institutions doing that now.
20 There are other institutions that are
21 defaulting students into the courses they need for their
22 major so they don't have to hunt and peck, which is what
23 lots of students do. It's the college knowledge that
24 Leticia talked about.
25 Instead of assuming students know what

1 courses to take and the order in which to take them,
2 when colleges actually default them in, they're more
3 likely to get them, take them, complete them and complete
4 on time. So, there are a bunch of other things that can
5 be done to reduce the debt in the first place.
6 COMMISSIONER YAKI: I mean, I would say
7 that if you graduate from college, half your debt should
8 be eliminated immediately. And that's just like a
9 thought I have, which is you've done it, okay, you're
10 going to B we now know what you're going to do in society
11 from now on to be a productive taxpayer.
12 MS. HAYCOCK: Yeah.
13 COMMISSIONER YAKI: I mean, think about B
14 when you think about the statistics on African-American
15 males and you think about the cost of incarceration of
16 each one of those individuals B
17 MS. HAYCOCK: Yes.
18 COMMISSIONER YAKI: -- and how much greater
19 that is than a college education is right now, I mean,
20 it's ridiculous when we think about resource allocations
21 in this country.
22 MS. HAYCOCK: Sure. Yes, there's no
23 question about that, but one of the things you want to
24 be careful of here is in some ways the people who need
25 relief the most are the ones who didn't get a degree.

1 We need to actually find ways to get them
2 back in college and actually having that debt with an
3 outstanding payment keeps them from coming back to
4 college. So, thinking about them, too, since we need
5 way more of them to get degrees.
6 COMMISSIONER YAKI: Well, bring them back
7 in. If they finish, wipe it out.
8 MS. HAYCOCK: I'd be totally happy to do
9 that. I think we all would.
10 COMMISSIONER YAKI: I know the federal
11 government is going, what the heck is he doing with our
12 money right now?
13 (Laughter.)
14 CHAIRMAN CASTRO: Any other responses?
15 (No response.)
16 CHAIRMAN CASTRO: Any other questions,
17 Commissioners? Sorry, Commissioner Achtenberg.
18 COMMISSIONER ACHTENBERG: We heard earlier
19 B this is for Ms. Haycock. We heard B and then I have
20 a question for Ms. Dinh.
21 We heard earlier from King Alexander on the
22 issue of reauthorization and whether or not requirements
23 B you said that one of the reasons that college tuition
24 has been rising in public institutions is because states
25 have been investing. And that is absolutely the case.

1 I can tell you that's certainly true in California and
2 true for other large state systems.
3 He suggests that if there were some kind
4 of maintenance of effort requirement on the part of the
5 states where if they allow their institutions to receive
6 federal funding like the funding they currently receive,
7 they have to agree to a maintenance of effort kind of
8 provision.
9 In the politics of higher education, how
10 outlandish a proposal is that and do you have any opinion
11 about whether or not that might achieve the desired
12 result which is to see that more money from whatever
13 sources gets invested especially in these large public
14 comprehensives, not the elites, the large public
15 comprehensives which is where most of the students get
16 their degrees and where most of the minority students
17 get their degrees and certainly where people we were
18 talking about, people who come from the lowest quintile
19 and the second lowest quintile. If they go to college,
20 that's where they go.
21 MS. HAYCOCK: So, we are certainly one of
22 many organizations that have been trying hard to figure
23 out how can the federal government provide states with
24 sufficient incentives to stop that disinvestment.
25 Certainly a maintenance of effort if one

1 could get it passed could help, but I don't need to tell
2 you that maintaining effort it's better than not, but
3 it's not solving the problem of escalating cost,
4 escalating benefits cost.
5 COMMISSIONER ACHTENBERG: Sure.
6 MS. HAYCOCK: I mean, in some ways the best
7 thing the federal government could do is fix the
8 healthcare situation beyond what’s already been done
9 to keep those costs in check because, as you know,
10 employee benefits and so on keep going up.
11 And that means even if a state holds even,
12 tuition is going to escalate. So, we need more creative
13 strategies to try to figure out what combination of
14 strategies can actually help.
15 Our argument is that the feds ought to take
16 the dollars that are going out in tax deductions and
17 credits now, which are not an efficient way to get
18 dollars for college going, and all the research agrees
19 with that, and the campus-based aid programs that are
20 not well-targeted, and use those dollars in a giant
21 federal-state partnership to incent states to actually
22 stay physically engaged.
23 That pot would be big enough. The prospect
24 of getting that through Congress are slim, but it's the
25 only big enough bet that we could think of.

1 COMMISSIONER ACHTENBERG: You know, I
2 don't know if, I mean, maybe they are slim. But as you
3 said yourself, the key to economic and social mobility
4 in this country is the attainment of the college degree.
5 And we heard that from the prior panel and
6 the panel before that. We're going to hear that from
7 all three panels tomorrow as well. We're going to hear
8 it from Pew and we're going to hear it from Brookings
9 Institution, we're going to hear it from National
10 Science, we're going to hear it from the people should
11 know.
12 And we need more certificated workers than
13 we currently have. And ten years from now we're going
14 to need even more. And ten years after that we're going
15 to need even more.
16 So, we need to up our production here. And
17 if these kinds of approaches could up production and
18 bring with them the kind of equality principals that
19 we were talking about here in terms of equal access,
20 equal persistence, equal degree attainment, which makes
21 our society richer and better, we are one in the same
22 time we're a better society, we are richer internally
23 and we can compete better in the international
24 marketplace.
25 I have to assume that that kind of argument

1 would have some salience on every side of the aisle,
2 not, you know, not just one or with a few.
3 So, I'm hoping that that's the kind of
4 approach we might be able to suggest. At least it's kind
5 of worth the try.
6 Ms. Dinh, before my chairman tells me I have
7 overstayed my welcome, your testimony was extremely
8 informative.
9 I have to say I did not understand fully
10 that Southeast Asian immigrants are such a large
11 percentage of the immigrant population.
12 And the statistics aggregating everyone
13 into the category of Asian obviously masks many of the
14 challenges that these more recent immigrant communities
15 face.
16 I'm wondering if there are policy
17 prescriptions that your organization advocates both
18 with regard to collection of data, targeting of programs
19 and the like that B targeting in a way that's
20 constitutional.
21 I'm not suggesting anything
22 unconstitutional, but targeting programs to really get
23 at some of the particular challenges faced by your
24 community.
25 MS. DINH: Absolutely. So, one of our

1 largest campaigns is around national data
2 disaggregation in education data for both K through 12
3 systems, as well as higher education systems.
4 And the law of the land right now is that
5 we disaggregate by five different ethnic categories.
6 And our policy recommendation is at a minimum to use
7 what we know from the census and broaden those categories
8 to at least the ten largest Asian-American categories,
9 as well as an option to write in your ethnic community.
10 We've seen this practice implemented in
11 small school districts. In Seattle public schools,
12 actually, which is not quite that small.
13 We also know that the California State
14 University system, as well as the University of
15 California systems and the K through 12 system actually
16 does collect that type of granulated data, but none of
17 this data is reported out.
18 So, for us, it's not just about collection
19 methods. It's about reporting out publicly so that we
20 understand where those disparities are coming from.
21 And from there, be able to really advocate
22 for targeted services and support that so many other
23 communities are also advocating for.
24 COMMISSIONER ACHTENBERG: I didn't receive
25 your statement in advance. If that information is not

1 in your statement, it would be very much welcomed by
2 the Commission.
3 We have 30 days for you all to contribute
4 additionally as you see fit. Those kinds of policy
5 recommendations could be very helpful to the Commission
6 as we try to wrestle with this important issue. Thank
7 you.
8 CHAIRMAN CASTRO: Any additional
9 questions? If none, we want to thank the panelists.
10 Appreciate your information and your presentations
11 today. Thank you.
12 This adjourns this briefing until tomorrow
13 morning. Thank you.
14 (Whereupon, at 5:37 o'clock p.m. the
15 above-entitled briefing was adjourned.)
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