

# **Higher Education Access, Persistence, and Completion for Students of Color**

Briefing Before  
the United States Commission on Civil Rights  
Held in Washington, DC  
May 28-29, 2015

Transcript



## UNITED STATES COMMISSION ON CIVIL RIGHTS

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**February 16, 2018**

### **Letter of Transmittal**

President Donald J. Trump  
Vice President Mike Pence  
Speaker of the House Paul Ryan

On behalf of the United States Commission on Civil Rights (“the Commission”), I am pleased to transmit our materials from our briefing on *Higher Education Access, Persistence and Completion for Students of Color*.

During this briefing, the Commission examined the extent to which financial aid funding and awards under the Higher Education Act of 1964 (HEA) and the Higher Education Opportunity Act of 2008 (HEOA) affect enrollment rates of students of color in colleges and universities awarding bachelors’ degrees. The Commission sought to determine if the campus-based aid program formulas and funding levels created or exacerbated racial, ethnic, or national origin disparities in enrollment rates.

In this transcript, you will find testimony from experts, advocates, government officials, and scholars across a wide spectrum of perspectives. To assist in the public’s review, a high-level topic outline is presented along with the full-transcript, with enumerated topics that represent the major points covered in the presented testimony.

We at the Commission are pleased to share these materials to help ensure that all Americans enjoy civil rights protections to which we are entitled.

For the Commission,

A handwritten signature in blue ink, appearing to read "C. Lhamon".

Catherine E. Lhamon

Chair

## Higher Education Access, Persistence and Completion for Students of Color

This topic outline is presented to aid the public in review of the transcript of the Commission's briefing on financial aid in higher education, held at the Commission's headquarters on May 28 and 29, 2015. The enumerated topics represent the major points covered in the testimony presented to the Commission. The panelists also each submitted a written statement.

Panelists

### **Day 1, May 28, 2015**

#### **Panel I**

Dr. F. King Alexander, Louisiana State University

#### **Panel II**

Dan Weinberg, Ph.D., Census Bureau

John Gawalt, National Science Foundation

Dr. Tasha Inniss, National Science Foundation

Valeria Carranza, Congressional Hispanic Caucus

#### **Panel III**

Fabian T. Pfeffer, University of Michigan

Roger Clegg, Center for Equal Opportunity

Diana Elliott, Pew Trusts

Dr. William Flores, University of Houston-Downtown, The Hispanic Association of Colleges and Universities

Deborah Santiago, Excelencia in Education

#### **Panel IV**

Kati Haycock, The Education Trust

Quyen Dinh, Southeast Asian Resource Action Center

Stephan Thernstrom, Harvard University

Leticia Bustillos, Ph.D, National Council of La Raza

### **Day 2, May 29, 2015**

#### **Panel I:**

Professor Stella Flores, Vanderbilt University

Dr. Peggy Carr, US Department of Education

Dr. James T. Minor, US Department of Education

#### **Panel II:**

Dr. Timothy P. White, The California State University

Patrick J. Hogan, University System of Maryland

Dean Scott Miller, University of Virginia

Dean Maurice Apprey, University of Virginia

Vijay Pendakur, Cal State- Fullerton

Dr. Darrick Hamilton, New School of Public Affairs

### **Panel III**

Neal McCluskey, CATO Institute for Economic Freedom

Ron Haskins, Brookings Institute

Michele Siqueiros, The Campaign for College Opportunity

Anne Neal, American Council of Trustees and Alumni

### **Panel IV**

Megan McClean, National Association of Student Financial Aid Administrators

Richard Vedder, Center for College Affordability and Productivity

Elizabeth Baylor, Center for American Progress

Victor Goode, National Association for the Advancement of Colored People

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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

+ + + + +

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*

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## 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

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

(11:07 a.m.)

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

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

**OPENING REMARKS**

COMMISSIONER ACHTENBERG: Thank you, Mr.

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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.

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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.

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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-Americans, 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

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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

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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

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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

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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.

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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

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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

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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

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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

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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

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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

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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

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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.

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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

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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

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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

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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,

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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.

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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

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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

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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

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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.

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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

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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

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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

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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

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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

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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

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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,

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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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**PANEL II**

**FEDERAL GOVERNMENT OFFICIALS**

(12:59 p.m.)

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

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

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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.

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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 public use  
24 micro data back to 1960 to estimate returns to education  
25 for particular groups classified by age, but the micro

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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

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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

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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.

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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.

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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

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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,

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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

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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.

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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

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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

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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

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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

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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

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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

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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

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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

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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.

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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

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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.

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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

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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

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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

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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?

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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

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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

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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

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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.

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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

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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

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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

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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?

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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.

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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.

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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

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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

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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.

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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

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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

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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

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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 tract 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

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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.

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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

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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.

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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

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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.

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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

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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

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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

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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

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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.

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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.

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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

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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

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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.

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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

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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.

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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

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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.

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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

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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.

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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

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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 Millennials

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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.

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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

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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.

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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

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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

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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

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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.

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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

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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

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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.

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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.

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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.

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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 care, 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

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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

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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.

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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.

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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

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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

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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

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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.

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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.

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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,

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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 not 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

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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

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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

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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

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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

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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

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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

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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,

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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

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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,

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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

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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

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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

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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

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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.

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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

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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

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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

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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

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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

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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

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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

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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 --

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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 --

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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

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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.

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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.

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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

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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

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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.

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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

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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

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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.

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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

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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

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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

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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.

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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

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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

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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

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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,

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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

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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.

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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

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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

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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.

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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

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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

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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

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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

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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.

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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."

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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

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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.

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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

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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

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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

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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

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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

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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,

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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

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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

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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.

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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

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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

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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

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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

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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.

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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

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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.

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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

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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.

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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

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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

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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

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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.

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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

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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

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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

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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

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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

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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.

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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.

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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

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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.

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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

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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

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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

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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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## U.S. COMMISSION ON CIVIL RIGHTS

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## BRIEFING

+ + + + +

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

+ + + + +

FRIDAY, MAY 29, 2015

+ + + + +

The Commission convened in Suite 1150 at  
1331 Pennsylvania Avenue, Northwest, Washington, D.C.  
at 9:00 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*

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

2 (9:00 a.m.)

3 CHAIRMAN CASTRO: Calling this briefing  
4 back into order.

5 **OPENING REMARKS**

6 CHAIRMAN CASTRO: This is Day 2 of the  
7 Civil Rights Commission briefing on the effect of  
8 college access, persistence, and completion rates on  
9 the socio-economic mobility of minorities.

10 I'm Marty Castro, Chair of the U.S.  
11 Commission on Civil Rights. Today is May 29th. We  
12 called this briefing to order at 9:00 a.m. Eastern Time.

13 Present with me today here in the  
14 headquarters of the Civil Rights Commission is our Vice  
15 Chair, Patricia Timmons-Goodson, and Commissioners  
16 Narasaki, Heriot, Kirsanow, Achtenberg, and Yaki.  
17 Commissioner David Kladney will be joining us by phone.

18 As I said, today's briefing continues  
19 yesterday's panels, which we held for a bulk of the day  
20 talking about these issues of persistence and  
21 completion, and the impact -- disparate impact that it  
22 may have on minorities' mobility.

23 Today's session is going to feature 17  
24 distinguished speakers, all of whom are going to  
25 provide us with a diverse array of viewpoints on the

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1 topic. We have divided the speakers into four panels  
2 today. The first panel will consist of federal  
3 government officials discussing pertinent programs.  
4 Panel II is going to consist of the university system  
5 heads, who are going to share their experience and  
6 perspectives. And the last two panels will give us  
7 viewpoints from various scholars.

8 Before we proceed with the housekeeping of  
9 how we are going to run these panels, and do time and  
10 do the speakers, we want to give Commissioner  
11 Achtenberg an opportunity to share a few words. It was  
12 her concept paper and her efforts that resulted in  
13 today's and yesterday's briefings.

14 So Commissioner Achtenberg?

15 COMMISSIONER ACHTENBERG: Thank you, Mr.  
16 Chairman. I appreciate the courtesy. The premise of  
17 today's exploration, and yesterday's as well, is as  
18 follows. Access to and attainment of the  
19 baccalaureate degree is the key to upward social  
20 mobility and economic mobility in today's national  
21 economy.

22 Attainment has significant measurable  
23 lifelong benefits for workers, for their families,  
24 their communities, the national economy, and our  
25 international competitiveness. It is a social,

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1 political, and economic good, and yet there are racial  
2 disparities, gaps in enrollment, gaps in persistence,  
3 gaps in attainment of the baccalaureate degree, on the  
4 basis of race that need to be examined and are being  
5 examined by this Commission.

6           There are various federal funding streams  
7 that are provided to postsecondary institutions for the  
8 benefit of the education of low income people and  
9 particular racial minorities. And yet sometimes the  
10 operation of those programs end up having a different  
11 effect than perhaps was intended.

12           In particular, many of the campus-based  
13 aid programs at least seem to contribute to the racial  
14 disparities that they were designed to address  
15 positively, end up addressing them at least in some  
16 negative ways, or at least the evidence appears to be  
17 the case, and that is part of what we are exploring as  
18 United States Civil Rights Commission.

19           On the other hand, there are many  
20 successful programs that federal dollars also support  
21 that help address the gaps in achievement, including  
22 such programs as GEAR UP and TRIO and other  
23 campus-specific programs, which chancellors and  
24 presidents will be testifying to the efficacy of.

25           Perhaps additional investment in those

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1 programs might be an important way to address some of  
2 the racial disparities that are obvious by virtue of  
3 examining the statistics.

4 As a nation, we are underperforming in  
5 terms of achieving the baccalaureate degree for the  
6 jobs that are currently available, that will be  
7 available for the workforce in the next 10 years and  
8 in the 10 years after that. So we are underperforming  
9 in the aggregate right now, and we are underperforming  
10 with regard to particular demographic groups,  
11 including certain racial minorities.

12 It is possible, at least it is my  
13 contention that it might be possible, through the  
14 redeployment of federal investment, even utilizing  
15 differently the resources that are currently being  
16 deployed, let alone seeking the deployment of  
17 additional resources, but even if we were not to do that  
18 but to encourage the Congress to consider redeploying  
19 existing resources, and deploying them more  
20 strategically for the benefit of low income students  
21 in particular, and the groups -- the racial groups that  
22 are lagging behind, it could indeed be the case that  
23 we could begin to address some of those persistent  
24 racial gaps.

25 I believe that that could be possible, and

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1 it will be the job of the Commission to determine  
2 whether or not those theories hold water.

3 This is a pressing issue of our time, and  
4 I am delighted that my colleagues on this Commission  
5 have seen fit to allow the Commission to address this  
6 important issue. So I thank you for the courtesy, Mr.  
7 Chairman.

8 CHAIRMAN CASTRO: Thank you, Commissioner  
9 Achtenberg. And I also want to thank the Commissioner  
10 and her staff for the effort again, but also our  
11 Commission staff for putting together the briefing  
12 today and yesterday. It is not often what we do a  
13 two-day briefing, so it takes a lot of additional effort  
14 on the part of our staff to coordinate this, and so we  
15 are really appreciative of their efforts.

16 And as I mentioned yesterday, in preparing  
17 for these hearings, and even through the course of  
18 yesterday's testimony, what we are doing here really  
19 hits close to home I think for a lot of us on this panel,  
20 and actually many of those who testified yesterday, in  
21 terms of many of us being first-generation college  
22 students, many of us being the first in our family to  
23 even graduate from high school, such as myself.

24 And I'm the product of Head Start, I'm the  
25 product of affirmative action and higher education, so

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1 these programs aren't just constitutional theory or  
2 political hay for me, these are the kind of programs  
3 that resulted in me sitting here before you as the first  
4 Latino Chairman of the U.S. Commission on Civil Rights.

5 And yet there are many points in my  
6 educational trajectory, as in the trajectory of some  
7 of the students that have been highlighted by the  
8 testimony, that I could have fallen between the cracks  
9 or been pushed between the cracks. Despite the fact  
10 that I was an honor student in high school, a private  
11 high school my parents worked very hard to pay tuition  
12 on, my high school guidance counselor, who was not a  
13 person of color, encouraged me not to apply to college,  
14 said that I shouldn't go, that I should go work in the  
15 steel mills where, you know, my father and my  
16 grandfather and uncle and all the other folks from our  
17 largely community of color worked.

18 And I insisted on going to college. She  
19 didn't help me fill out my applications; I did it  
20 myself. My parents didn't know, nor did I, what FAFSA  
21 was or FAF or any of that, but through leaps of faith  
22 I managed to get here. And I always wonder how many  
23 of my fellow high school students listened to that  
24 counselor.

25 And it's not just something endemic to the

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1 neighborhood I grew up in, but I've shared this story  
2 with others here in Washington and elsewhere in groups  
3 of large Latino community leaders, and that is a common  
4 experience for many of us, and I know it is shared by  
5 other communities of color. In fact, one of our  
6 panelists yesterday, Dr. William Flores, who is on the  
7 Executive Board of HACU, same thing happened to him in  
8 his high school experience.

9 So these are real issues that affect real  
10 lives, and so I'm really glad that we are looking at  
11 these types of issues, because they impact the future  
12 of individuals and communities in this country. So we  
13 thank you for being here and for all the efforts  
14 everyone is putting in on behalf of this issue.

15 Our panelists today, as the panelists  
16 yesterday, are each going to have seven minutes to  
17 present to us based on their prior written submissions.  
18 And there is a system of warning lights here. Just like  
19 a traffic light, green, go; yellow, that means getting  
20 ready to stop, you will have two minutes when you see  
21 that; and red, of course, stop.

22 We will then, as Commissioners, ask you  
23 questions. There will be a chance to elaborate perhaps  
24 on things that you were in mid-sentence on. But also,  
25 our Commissioners will be -- I will try to fairly

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1 provide them an opportunity to speak with you, because  
2 we really want to elicit as much information as  
3 possible.

4 We also want to let folks know that the  
5 record of this briefing will be open for the next 30  
6 days. So any of you as panelists, and anyone who is  
7 watching today or listening, has the opportunity to  
8 present your own comments, so that we can review those  
9 and take those into account as we prepare our report  
10 to the President and Congress.

11 So you can submit those to us here at the  
12 U.S. Commission on Civil Rights by either mailing them  
13 to the Commission Office of Federal Civil Rights  
14 Evaluation, 1331 Pennsylvania Avenue. That's 1331  
15 Pennsylvania Avenue, Northwest, Suite 1150,  
16 Washington, 20425, or via email at  
17 publiccomments@usscr.gov. That's  
18 P-U-B-L-I-C-C-O-M-M-E-N-T-S at usccr.gov.

19 With that out of the way, I'd like to  
20 introduce and then swear our panelists in. So the  
21 first panelist is Professor Stella Flores from  
22 Vanderbilt University. Our second panelist is Dr.  
23 Peggy Carr from the U.S. Department of Education, and  
24 our third panelist is Dr. James T. Minor, also with the  
25 U.S. Department of Education.

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1 Will you each raise your right hand,  
2 please? And I'll ask that you swear or affirm that the  
3 information that you are about to provide to us is true  
4 and accurate to the best of your knowledge and belief.  
5 Is that correct?

6 SEVERAL: Yes.

7 CHAIRMAN CASTRO: Okay. Great. Thank  
8 you.

9 **PANEL I**

10 CHAIRMAN CASTRO: Professor Flores,  
11 please proceed.

12 PROFESSOR FLORES: Thank you,  
13 Commissioners, for the opportunity to speak on the  
14 civil rights implications of college access,  
15 persistence, and completion for underrepresented  
16 minority students in the United States.

17 I will draw on evidence-based examples  
18 from the most rigorous studies on these topics over the  
19 last two decades, including work that my colleagues and  
20 I have conducted in Texas where we utilized national,  
21 as well as kindergarten through 20 student-level  
22 administrative database. That's K through 20.

23 Strong data are critical to civil rights  
24 as well as the solutions we construct to improve  
25 educational equity in the U.S. for all students. I

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1 argue that college completion is a function of more than  
2 the postsecondary experience, and that other factors  
3 such as secondary school context, financial aid  
4 opportunity, and academic preparation also play a role  
5 in predicting the odds of college success.

6 In our work, we find that nearly 61 percent  
7 of the racial gap in college completion can be explained  
8 by pre-college characteristics -- that is, before a  
9 student ever enters college - comprised of the  
10 individual, high school context, and academic  
11 preparation. Another 35 percent of the gap in racial  
12 college completion is explained by postsecondary  
13 characteristics.

14 Another 35 percent of the gap in racial  
15 college completion is explained by postsecondary  
16 characteristics. Every state of schooling that does  
17 not give all students all an equal opportunity to  
18 prepare for college has civil rights implications.  
19 Therefore, begin given equal opportunity to prepare for  
20 and succeed in postsecondary study is the  
21 education-civil rights battle of our time.

22 Moreover, as stated by the Commissioner,  
23 the consequences of not being appropriately prepared  
24 to succeed in college are costly, not only to  
25 individuals who are deprived of this opportunity, but

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1 also to local and state economies, and ultimately the  
2 nation.

3 I am going to focus on five key areas  
4 related to college completion of underrepresented  
5 minority and low income students, and they include  
6 demographic changes in their school, continued  
7 segregation levels, academic preparation, and the  
8 factors that predict the college completion gap and end  
9 with the role -- with some discussion on the role of  
10 data in understanding where the odds of college  
11 completion are most challenged.

12 This is not on, actually.

13 CHAIRMAN CASTRO: Pardon me?

14 PROFESSOR FLORES: The timer is not on.

15 CHAIRMAN CASTRO: Oh, it's not?

16 PROFESSOR FLORES: But I will continue.

17 Okay?

18 CHAIRMAN CASTRO: Okay. Go ahead.

19 PROFESSOR FLORES: More time.

20 So let me begin with point number one. We  
21 cannot neglect that we are in an era of unprecedented  
22 demographic change across the U.S. states, but also in  
23 our public schools. The majority of all U.S. births,  
24 and the majority of our K through 12 public school  
25 students, are now non-white. The cost of failing to

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1 prepare this population to earn a postsecondary  
2 credential has become a matter of state and national  
3 economic welfare.

4 Five states now have majority-minority  
5 populations, and at least 14 states have  
6 majority-minority population among children under the  
7 age of five. Latinos are now the largest minority  
8 group in the nation's two- and four-year colleges.  
9 However, let me be clear on what this trend does and  
10 does not represent.

11 Demographic growth simply means that there  
12 are more Latino students, not that we as a nation have  
13 necessarily been more successful in enrolling the  
14 eligible high school graduate population of Latinos.  
15 The real question is whether programs and policies have  
16 been more effective or if demographic growth is merely  
17 masking the underperformance of our nation's schools.

18 Our work in Texas, for example, finds that  
19 Latino high school graduates are actually more likely  
20 to enter the workforce than they are to even begin at  
21 a community college. This is regardless of academic  
22 preparation.

23 Next point. Poverty remains a salient  
24 characteristic, particularly as associated with race  
25 among students at four-year colleges. In our cohort

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1 analyses, we find that 48 percent of Hispanic students  
2 and 31 percent of black students are economically  
3 disadvantaged in four-year institutions as compared to  
4 five percent of white students at four-year  
5 institutions.

6 Racial segregation continues to have  
7 harmful effects on key student outcomes. Racial  
8 segregation in elementary public schools is a key  
9 factor in the racial achievement gap, as measured by  
10 differences in test scores. Our research further  
11 suggests that racial segregation in high school also  
12 has negative effects on college completion itself.

13 Students have different rates of  
14 participation in high school college preparation  
15 courses by race and ethnic background, which is  
16 associated with the odds of college completion. Let  
17 me be clear here. Academic preparation remains the  
18 most important factor in predicting the odds of college  
19 access as well as college completion. However,  
20 students of all racial groups do not receive the same  
21 preparation, particularly in math, the gateway course,  
22 or trigonometry, which is another gateway course in  
23 college completion.

24 Our work found that black students are  
25 substantially less likely than white and Latino

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1 students to have taken a trigonometry course. That  
2 rate is 70 percent for white students, 61 percent for  
3 Hispanic students, and 47 percent for black students.  
4 Similar gaps remain for courses such as dual enrollment  
5 programs.

6 College costs, perceived or real, and  
7 financial aid continue to matter as gatekeepers to  
8 enrollment and completion, and they also may matter by  
9 race and income. More than 30 years of research  
10 indicates that financial aid, particularly in the form  
11 of grants and tuitions, discounts and scholarships,  
12 positively affects college enrollment.

13 Nonetheless, financial aid remains a  
14 contested issue across the states and individual  
15 institutions in the form of preferences to fund  
16 students that are less likely to exhibit need. That  
17 is, we have seen a trend in an increase in married aid  
18 and a decrease in a trend in need-based aid.

19 Location of college is important,  
20 especially for minority students. In terms of where  
21 black students are increasingly going to college, that  
22 is the community college. So whereas before we saw  
23 trends of black students surpassing Latino students  
24 attending four-year colleges, they are now more likely  
25 to attend two-year colleges.

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1           For Latinos, no other institution  
2 represents their attendance in the Hispanic-serving  
3 institution, yet we have only minimal evaluation  
4 evidence on how well the HSIs are doing, yet that is  
5 the place where Latinos are more likely to go to  
6 college.

7           There is a substantial college completion  
8 gap between white and black students and between white  
9 and Latino students. The racial college completion  
10 gap, at least in Texas, between white and Hispanic  
11 students is 14 points, between white and black students  
12 is 21 points.

13           And what drives this gap differs by these  
14 groups. For the Hispanic-white group, the two key  
15 factors that drive this achievement gap is attending  
16 a high minority high school and economic disadvantage.  
17 For black students, while attending a high minority  
18 high school explains a large portion of the gap, the  
19 most critical factor with this group remains academic  
20 preparation.

21           Commissioners, improving the civil rights  
22 outcomes of all students requires a collection of a  
23 strong evidence through the form of reliable,  
24 individual level, longitudinal data sources, to  
25 produce the most successful and sustainable

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1 interventions students deserve. Dismantling efforts  
2 for the collection of such data is likely to lead to  
3 under-researched and ineffective policy decisions with  
4 implications not only for disadvantaged students but  
5 also all students in the nation.

6 We cannot afford to formulate responsible  
7 education policy without strong data systems and  
8 research designs.

9 Finally, I will end that the demographic  
10 changes highlighted here also bring to light  
11 under-examined civil rights issues in education as they  
12 relate to immigrant and English language learners.  
13 Understanding the educational civil rights  
14 implications for these students are particularly  
15 critical for large districts in the southwest, and  
16 increasingly the southeast, where schools have seen an  
17 influx of immigrant and ELL students with no comparable  
18 increase in resources or teachers prepared to teach  
19 these populations.

20 Thank you for the opportunity to offer this  
21 testimony. I am happy to answer questions.

22 CHAIRMAN CASTRO: Thank you, Professor.

23 Mr. Minor? Oh, do you want to go next, Ms.  
24 Carr?

25 DR. CARR: Good morning.

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1 CHAIRMAN CASTRO: Good morning.

2 DR. CARR: I would like to begin with a  
3 brief description of what we do at the National Center  
4 for Education Statistics, or NCES. I say this because  
5 I think it has implications for your work here on the  
6 Commission and for the work of all who is concerned with  
7 civil rights issues.

8 The first federal department of education  
9 was established in 1867, and I quote "for the purpose  
10 of collecting such statistics and facts as shall show  
11 the condition of education in several states and  
12 territories." Congress has legislated several  
13 mandates for NCES. One that might be of particular  
14 interest to you, you are to conduct objective  
15 statistical activities to collect data that are  
16 impartial, clear, and complete.

17 In addition, Congress has required us to  
18 play a critical role in partnering with other agencies  
19 and departments in the federal government to strengthen  
20 and to improve data quality and access. Of particular  
21 note is our role in gathering the data from My Brother's  
22 Keeper.

23 Also, more recently, we are now  
24 administering the data collection for the Office for  
25 Civil Rights within the Department of Education.

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1           Many of the demographics that you see here  
2           are interrelated -- poverty, educational attainment,  
3           and other factors are linked to system inadequacy, as  
4           you well know. It is important to note that unless I  
5           otherwise state, however, that the outcomes and  
6           measures that I am going to talk about briefly today  
7           do not account or control for interrelated factors.

8           Data from a number of NCES reports,  
9           surveys, and assessment support the conceptual model  
10          that is shown here. In this presentation, I will  
11          explore key checkpoints along the pathway of  
12          postsecondary attainment. They include, of course,  
13          access, enrollment persistence, and completion.

14          So let's start with achievement gaps as one  
15          of the first access indicators here. Achievement gaps  
16          for minorities and low SES students start early and they  
17          persist.

18          Let's begin with a look at some of the key  
19          trends in the academic achievement gaps. Here we are  
20          looking at an achievement gap between white and black  
21          students. Historically, black, Hispanic, and  
22          American Indian/Alaska Native students have lower  
23          assessment scores in reading and in mathematics than  
24          their white and Asian peers. There are two pieces of  
25          good news included in the data that you see here. These

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1 data depict performance over time for black and white  
2 students, eighth grade students, and what you see here  
3 is that the performance is improving for both groups,  
4 and the distance between the performance of the two  
5 groups, also known as the gap, is narrowing. That is  
6 good news.

7 While this chart displays the black-white  
8 gap, this is also true for whites and Hispanics, less  
9 true but also true of Native Americans and whites, and  
10 there has been a truly significant increase for Asian  
11 students.

12 I'm going to skip this next graph in the  
13 interest of time.

14 Now we are looking at the curriculum levels  
15 related to mathematics achievement within the  
16 racial-ethnic groups. Within each group, graduate  
17 students completing a rigorous curriculum earned  
18 higher NAEP scores -- that's the National Assessment  
19 of Educational Progress -- than graduates completing  
20 lower curricula.

21 So a rigorous curriculum includes four  
22 years of English, three years of foreign language,  
23 three years of social studies, four years of  
24 mathematics, and three years of science, including  
25 biology, chemistry, and physics. However, their

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1 completion of a rigorous curriculum did not eliminate  
2 racial-ethnic gaps in NAEP performance, as you can see  
3 here.

4 The average scores for black and Hispanic  
5 students completing a rigorous curriculum were lower  
6 than the average scores for white and Asian students.  
7 And this is not of course due to race or many other  
8 confounding factors, such as the disproportionate  
9 representation of SES or socio-economic status among  
10 the minority students, and the rigor, the true rigor,  
11 of the courses that they are taking, not just the title  
12 of the courses.

13 This slide depicts gaps in advanced  
14 science course-taking by the level of density within  
15 a school. The term "advanced science courses" refers  
16 to courses beyond introductory biology, chemistry, and  
17 physics, as well as AP and IB science courses.

18 "Density" refers to the percentage of  
19 minority students within a school. The gaps you see  
20 here are larger for schools with higher density.

21 As you can see here, there are differences  
22 by race-ethnicity and by parents' education and the  
23 percent of 12th grade students who were at or above  
24 proficient in mathematics and reading. "Proficient"  
25 refers to solid mastery over challenging subject matter

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1 on average for 12th graders in mathematics -- 26  
2 percent of the students in this country are at or above  
3 proficient - it's seven percent for blacks and 12  
4 percent for Hispanics.

5 Here you can see that the rates are  
6 different for students that are being placed in  
7 juvenile or residential facilities. This is  
8 particularly true of males and particularly true of  
9 minority males.

10 In general, disparities exist in  
11 enrollment and persistence, and persistence patterns  
12 are particularly complex. In this next slide here you  
13 see that trends and college enrollment have increased  
14 for all races and ethnicities, and this is particularly  
15 true of the Hispanic students.

16 Persistence is important. As you can see  
17 here, there are a number of factors that relate to  
18 persistence. For example, whether the student has  
19 taken credits of courses and not gone back, and they  
20 are not going to get credit for them, incurring  
21 additional costs, and so forth.

22 And, finally, attainment patterns  
23 resemble some of the patterns already discussed. We  
24 will show this last slide here. Go to the next one  
25 here.

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1 Overall, lower percentage of minority and  
2 low SES students obtain a bachelor's or higher.  
3 However, even among higher SES students there are  
4 differences in attainment among various racial-ethnic  
5 groups.

6 So, in sum, progress has been made across  
7 the metrics that I have discussed here today. But  
8 clearly there are many challenges here.

9 We need to improve our measures. For  
10 example, the eligibility of free and reduced price  
11 lunch has long been used as a proxy for family income,  
12 but there have been new provisions in the allocations  
13 of eligibility, and that has put a bit of a wrinkle in  
14 the use of free and reduced price lunch as a proxy for  
15 student SES status. Digital data collection is also  
16 a challenge and an opportunity.

17 So I will stop there. And if there are  
18 additional questions, I'd be happy to answer them.

19 CHAIRMAN CASTRO: Very interesting stats.  
20 We'll definitely be delving into that.

21 Mr. Minor?

22 DR. MINOR: Good morning, Mr. Chairman,  
23 and members of the Commission. I want to thank you for  
24 the invitation to speak this morning. I am here -- I  
25 am happy to be here on behalf of the U.S. Department

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1 of Education's Office of Postsecondary Education,  
2 which administers higher education programs designed  
3 to promote innovation and improvement in postsecondary  
4 education, expand access and opportunity to students  
5 from low income families, and increase college  
6 completion, which, as you know, has significant  
7 consequences for our nation.

8 Under the authorization of the Higher  
9 Education Act of 1965, as amended, the Office of  
10 Postsecondary Education awards more than 4,000 new and  
11 continuation awards each year, totaling over \$2 billion  
12 annually.

13 Presently, the Higher Education Program  
14 Office has approximately \$7-1/2 billion obligated in  
15 grants intended primarily to improve college access and  
16 to strengthen the capacity of institutions to serve  
17 students more effectively. No other institution or  
18 agency in the private or nonprofit sector comes close  
19 to making that kind of investment in college access or  
20 institutional capacity-building annually.

21 The Office of Postsecondary Education  
22 administers numerous competitive and formula-based  
23 grant programs designed to support minority serving  
24 institutions, including Historically Black Colleges  
25 and Universities, Hispanic-serving institutions,

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1 tribal colleges and universities, Native  
2 American-serving non-tribal institutions, Alaska  
3 Native and Native Hawaiian-serving institutions, Asian  
4 American, and Native American and Pacific  
5 Islander-serving institutions, as well as historically  
6 black graduate institutions.

7 These programs support improvements in  
8 educational quality, management, fiscal stability, and  
9 are intended to strengthen institutions that serve  
10 large numbers of minority students, while maintaining  
11 low per student expenditures. These programs  
12 represent a mix of competitive and formula-based grants  
13 and are funded by Congress through an annual  
14 appropriations bill.

15 In 2015, more than \$775 million was  
16 appropriated for institutional development programs.  
17 Minority-serving institutions that these programs  
18 support have traditionally been underfunded, and they  
19 rely on these programs for activities such as faculty  
20 development, student services, construction or  
21 renovation of campus facilities, purchase of  
22 educational materials, and even endowment building.

23 As of 2012, minority-serving institutions  
24 enrolled 3.6 million undergraduates each year, 20  
25 percent of all undergraduates. Hispanic-serving

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1 institutions enroll 50 percent of Latino students,  
2 despite only being four percent of all colleges. More  
3 than 50 percent of students at minority-serving  
4 institutions receive Pell grants. That is compared to  
5 31 percent of all students. And nearly half of all  
6 students at minority-serving institutions are  
7 first-generation college students versus 35 percent of  
8 those at majority institutions.

9 As you know, and as you've heard this  
10 morning, community colleges have a particularly  
11 important role to play in providing educational and  
12 degree opportunities for minority students.  
13 Approximately half of all Hispanic students enrolled  
14 in postsecondary education attend two-year  
15 institutions, as do a third of African American  
16 students.

17 Affordability and open enrollment  
18 policies are often cited as key reasons why community  
19 colleges are likely to be more appealing to students  
20 from low income backgrounds or those who may be less  
21 prepared academically for higher education.

22 The Office of Postsecondary Education also  
23 administers federal TRIO programs, which serve low  
24 income first-generation students at various points in  
25 the educational pipeline from middle school all the way

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1 through graduate school.

2           You may be familiar with some of these  
3 programs, such as Talent Search, Upward Bound, student  
4 support services, educational opportunity centers.  
5 While these programs do not explicitly target minority  
6 students, many participants in the TRIO programs are  
7 from underrepresented groups.

8           Based on data from 2012 and 2013, the  
9 percentage of TRIO participants who were African  
10 American ranged anywhere from 29 percent in student  
11 support services programs to 38 percent in Upward Bound  
12 programs. For that same reporting year, the  
13 percentage of TRIO participants who were Hispanic  
14 ranged from 12 percent in veterans Upward Bounds to 30  
15 percent in the Ronald McNair Post-Baccalaureate  
16 Achievement Program.

17           In addition, to serving minority students,  
18 many TRIO programs are hosted at minority-serving  
19 institutions, including Historically Black Colleges  
20 and Universities, predominantly black institutions,  
21 Hispanic-serving institutions, and Hispanic agencies,  
22 tribal colleges and tribal college -- or in tribal  
23 agencies.

24           Congress has appropriated close to \$850  
25 million for TRIO programs in 2015. Also, in the Office

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1 of Postsecondary Education's portfolio is Gaining  
2 Early Awareness and Readiness for Undergraduate  
3 Programs, also known as GEAR UP, which provides funding  
4 to states and partnerships to serve cohorts of students  
5 at high poverty middle schools and high schools. GEAR  
6 UP projects provide services such as tutoring, ensuring  
7 the development and implementation of rigorous  
8 curricula, fostering family involvement, and raising  
9 awareness of college admission and financial aid  
10 processes for students.

11 Like TRIO, GEAR UP is not specifically  
12 targeted to minority students but serves many of them  
13 as a result of its focus on low income students. In  
14 2015, Congress appropriated nearly \$302 million for  
15 GEAR UP.

16 The Department believes that these  
17 programs are critical for improving and increasing the  
18 number of Americans who not only enter college but also  
19 complete. As recent as 1990, as you may have heard,  
20 America was number one in the world in terms of the  
21 proportion of citizens who had a college degree or some  
22 postsecondary credential.

23 According to some estimates, we are now  
24 eleventh. The President has been clear about the goal  
25 to once again lead the world in having the highest

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1 proportion of citizens with a postsecondary degree or  
2 credential.

3 In order to achieve this goal, we must  
4 dramatically increase degree attainment from 40  
5 percent to 60 percent, which means we need to produce  
6 10 million additional degrees over and beyond the  
7 expected projections. This will require three and a  
8 half million more high school graduates and 6.3 million  
9 adult learners to become college graduates.

10 If the nation will make significant  
11 progress, two things are clear. First, we must create  
12 new and innovative teaching and learning opportunities  
13 that provide diverse pathways for earning a  
14 postsecondary credential. Second, we must pay  
15 particular attention to the groups of students who  
16 struggle most to earn a college degree. Increasing  
17 college completion rates will bear particular  
18 relevance for minority students.

19 I want to conclude by mentioning that the  
20 Department's programs are paying very close attention  
21 to the types of interventions that potential grantees  
22 are proposing to use and whether those interventions  
23 are actually successful.

24 An increased emphasis on evidence-based  
25 grant-making has resulted in more rigorous standards

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1 for applicants seeking to obtain federal funds as well  
2 as higher expectations for the evaluations that will  
3 be produced once the program has been implemented. We  
4 believe that these requirements will enhance the  
5 project's success and provide important information  
6 that can be used.

7 In closing, I want to thank you for  
8 allowing me to speak today and scheduling this briefing  
9 on a critically important topic.

10 Thank you.

11 CHAIRMAN CASTRO: Thank you, Dr. Minor.

12 Would you like to open the questioning,  
13 Commissioner Achtenberg?

14 COMMISSIONER ACHTENBERG: Thank you, Mr.  
15 Chairman.

16 This is for Professor Flores and Dr. Minor.  
17 Professor Flores, you said that pre-college  
18 characteristics, levels of poverty, segregation,  
19 course selection, cost of education, location of the  
20 college campus, all of these factors weigh extremely  
21 heavily on whether or not we can predict access,  
22 success, and completion. Did I understand that -- is  
23 that a fair --

24 PROFESSOR FLORES: Yes.

25 COMMISSIONER ACHTENBERG: And yet we also

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1 see large -- we also see success happening through  
2 campus-based programs, and as a result of federal  
3 investment in such programs as delineated by Dr. Minor,  
4 namely TRIO and GEAR UP just to name two. I mean, there  
5 are many others. How do you explain those two  
6 variables?

7 PROFESSOR FLORES: Sure. Yes, that's a  
8 very good question. I'm glad you asked that. It  
9 basically depends on where you start measuring. And  
10 so the work in terms of where we begin our analyses is  
11 in high school. And so when we talk about campus-based  
12 programs, we are talking about already students  
13 enrolled in college. It is already the students that  
14 made it, that already show some form of success.

15 And so to try to remove selection bias, we  
16 track the students back into high school and earlier,  
17 if possible.

18 COMMISSIONER ACHTENBERG: I see.

19 PROFESSOR FLORES: And so I think that's  
20 where you see the disconnects in those findings.  
21 That's not to say that campus-based programs can't be  
22 successful, but we are talking about students who have  
23 already successfully enrolled in college, and my  
24 research covers the students that don't make it.

25 COMMISSIONER ACHTENBERG: I see. Okay.

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1 That's an important clarification.

2 PROFESSOR FLORES: Yes, ma'am.

3 COMMISSIONER ACHTENBERG: It has enhanced  
4 my understanding of what the statistics tell us.

5 Dr. Minor, you mentioned the critical  
6 nature of these programs that your office administers.  
7 Could you talk a little bit about the measurement that  
8 suggests to you that these programs are, you know,  
9 operating as intended? And you also mentioned that  
10 they were underfunded. What does that mean?

11 DR. MINOR: Well, as the office that  
12 administers the majority of grant programs that are  
13 provided to higher education institutions, I have not  
14 met a constituent yet who wouldn't claim to need more  
15 money.

16 COMMISSIONER ACHTENBERG: Doesn't  
17 believe that, right.

18 DR. MINOR: Exactly. So, but we know some  
19 of that is measured against need. What program  
20 directors and institutional leaders often report to us  
21 are not only the numbers of students that they are  
22 serving, but the number of students that they are not  
23 able to serve because of resources.

24 So we know that there is a tremendous need  
25 across the country. And even given the size and scope

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1 of the investment that the Department of Education is  
2 making, there are hundreds of thousands of students who  
3 are not being served due to a shortage of resources.

4 COMMISSIONER ACHTENBERG: You mentioned  
5 that -- you mentioned \$302 million for --

6 DR. MINOR: For GEAR UP.

7 COMMISSIONER ACHTENBERG: For GEAR UP?

8 DR. MINOR: Yes.

9 COMMISSIONER ACHTENBERG: That's an  
10 awfully modest amount, one would think, as compared to  
11 the numbers of students who might benefit from such a  
12 program. Is that your testimony?

13 DR. MINOR: Yes. I think that's an  
14 argument that could be made. I think between TRIO and  
15 GEAR UP alone we are serving approximately 1.3 million  
16 students across the country. And, again, if you  
17 balance that against the number of students who need  
18 to be served, certainly an argument could be made for  
19 a greater investment in those programs.

20 COMMISSIONER ACHTENBERG: And these are  
21 not just students in general. These are students who  
22 are already -- in the case of the TRIO programs have  
23 already been admitted to university. Isn't that  
24 correct?

25 DR. MINOR: Some of them. So the range of

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1 programs between GEAR UP and TRIO start to serve  
2 students as early as middle school --

3 COMMISSIONER ACHTENBERG: Right.

4 DR. MINOR: -- and they serve students  
5 through their time at college and universities, and  
6 even in graduate and post-baccalaureate programs.

7 COMMISSIONER ACHTENBERG: But these are  
8 students who have already indicated through  
9 performance that they have some academic merit that  
10 would suggest that they are potentially at least  
11 college material, no?

12 DR. MINOR: Well, the eligibility  
13 requirement for participation in these programs is not  
14 based on academic merit. It is based on household  
15 income primarily. And so, no, it is not true. What  
16 are the programs are intended to do is to increase the  
17 number or percentage of low income students, students  
18 who would be the first in their family to attend  
19 college, to actually encourage them and to provide  
20 resources to them that would increase the likelihood  
21 that they would actually transition from K-12 to  
22 postsecondary institutions.

23 COMMISSIONER ACHTENBERG: Could I ask one  
24 more question, Mr. Chairman?

25 CHAIRMAN CASTRO: Sure.

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1 COMMISSIONER ACHTENBERG: Does your  
2 office also administer or have information regarding  
3 the SEOG, S-E-O-G?

4 DR. MINOR: Yes. Yes, we do. But I will  
5 be careful to tie that program to the performance of  
6 the ones that we discussed here this morning.

7 COMMISSIONER ACHTENBERG: Why is that?  
8 Because it's a congressionally mandated formula that  
9 -- or some kind of formula?

10 DR. MINOR: In part. But the performance  
11 of the programs are primarily determined by annual  
12 reports that are submitted by the program directors.  
13 And so it is true, but they are very distinct funds and  
14 they are very distinct programs.

15 COMMISSIONER ACHTENBERG: Understood.  
16 But we heard testimony yesterday from a number of  
17 experts that the -- and we will hear today later a kind  
18 of comparison, and I'm wondering what you think about  
19 this. It was stated that this SEOG grant is designed  
20 to address the low income populations in the colleges  
21 and the universities. Right? I mean, that's what it  
22 is appropriated for. Is that correct?

23 DR. MINOR: That's correct.

24 COMMISSIONER ACHTENBERG: And we heard a  
25 statistic yesterday that \$10 million of SEOG grants are

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1 appropriated to all of the Ivy League universities  
2 collectively, and that collectively those Ivy League  
3 universities enroll 60,000 students. And I'm not  
4 clear the number of Pell-eligible students within that,  
5 but 60,000 students.

6 I was told as well, however, that the  
7 California State University System, which enrolls  
8 400,000 students, receives \$11 million -- as compared  
9 to \$10 million for 60,000, \$11 million for 400,000 --  
10 in a situation where almost half of those 400,000  
11 students are Pell-eligible, meaning that they are some  
12 level of low income student.

13 And I am wondering --

14 DR. MINOR: Let me just --

15 COMMISSIONER ACHTENBERG: -- how could  
16 that be?

17 DR. MINOR: Let me just make one  
18 distinction that I think will be helpful.

19 COMMISSIONER ACHTENBERG: Sure.

20 DR. MINOR: There are two primary domains  
21 of grants that the Department makes. One is a  
22 formula-based grant, which means that the institution  
23 meets the formula as a Hispanic-serving institution,  
24 as a historically black college or university. They  
25 are eligible to receive that grant or award.

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1           The other category is discretionary or  
2 competitive.

3           COMMISSIONER ACHTENBERG: Sure.

4           DR. MINOR: Meaning that applicants  
5 submit a proposal that is scored, primarily by peer  
6 reviewers. So the Department doesn't arbitrarily  
7 decide who the winner or loser in those competitions  
8 are.

9           COMMISSIONER ACHTENBERG: Sure.

10          DR. MINOR: And so what we have is a review  
11 process that scores and rates the applications, and  
12 there is no way for the Department to arbitrarily  
13 dictate --

14          COMMISSIONER ACHTENBERG: Sure.

15          DR. MINOR: -- sort of what the  
16 composition of award winners will be for those  
17 competitions.

18          COMMISSIONER ACHTENBERG: So TRIO and  
19 GEAR UP are --

20          DR. MINOR: TRIO and GEAR UP are both  
21 competitive.

22          COMMISSIONER ACHTENBERG: Right. And  
23 the SEOG is pursuant to formula. And who sets the  
24 formula?

25          DR. MINOR: Well, the formula is

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1 established in statute and regulation. So it neither  
2 is something that the Department is to arbitrarily  
3 change without --

4 COMMISSIONER ACHTENBERG: I understand.

5 DR. MINOR: -- negotiated rulemaking or an  
6 act of Congress that changes the statute.

7 COMMISSIONER ACHTENBERG: So, but the  
8 rulemaking is done pursuant to a regulatory regime  
9 adopted by the Congress. Is that correct?

10 DR. MINOR: That's correct.

11 COMMISSIONER ACHTENBERG: All right.

12 DR. MINOR: That's correct.

13 COMMISSIONER ACHTENBERG: Thanks very  
14 much.

15 CHAIRMAN CASTRO: Professor Flores, in  
16 your remarks, you mentioned that the number of Latino  
17 students who are matriculating to college is going up,  
18 and that is due primarily just to demographics, that  
19 our population is growing so fast and so quickly that  
20 by its very nature you are going to see more Latinos  
21 in the pipeline, but that it's not necessarily  
22 attributable to any specific programs that are  
23 preparing Latinos or getting them in the pipeline.

24 It is just, you know, the population is  
25 bubbling up, so it's going to reflect itself in those

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1 statistics for matriculation. Is that right?

2 PROFESSOR FLORES: Yes. So my main point  
3 here is to not reach toward the conclusion of success  
4 without understanding that it may just be demography  
5 and not actually successful programming and policies.  
6 And I think while those statistics are very important,  
7 because demography is very important, it is also Public  
8 Policy 101. Don't make conclusions, you know, based  
9 on demography and not the actual assessment of  
10 something being successful.

11 CHAIRMAN CASTRO: Okay. One of our  
12 speakers yesterday was making the point that while more  
13 Hispanics are going to college now than whites, and so  
14 what is the problem, but that --

15 PROFESSOR FLORES: And it's a common  
16 misconception, so --

17 CHAIRMAN CASTRO: Well, he did say he was  
18 not an official demographer.

19 Dr. Carr, in your statistics, you show how  
20 among the various minority groups the Asian population  
21 continues to do better in most of those, if not all of  
22 those areas of measurement. Commissioner Narasaki  
23 yesterday very eloquently distinguished between  
24 various subgroups of Asians, and we had testimony as  
25 well from the South Asian community, which is

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1 substantially underserved and underrepresented.

2 But as Commissioner Narasaki said  
3 yesterday, there are other communities such as the  
4 Indian community and the Chinese community who come  
5 here -- who have come here with higher educational  
6 credentials, and so their children have been able to  
7 proceed in a more successful route for the most part.

8 Does your data take account of the  
9 subgroups of Asian Americans and even Latinos for that  
10 matter?

11 DR. CARR: Well, the data that I've  
12 presented today does not differentiate between Asians,  
13 the traditional reference to Chinese, Japanese versus  
14 Pacific Islanders, but in recent years we have started  
15 to bifurcate the data that way.

16 And I should say pointedly that the gaps  
17 between those groups is just as wide as the gaps between  
18 whites and black students or whites and Asian -- between  
19 whites and Native Americans.

20 So we have only just begun to differentiate  
21 the types of the origins of the Asian Americans, but  
22 it is important and the Department has been put on  
23 notice that this is something that the community wants  
24 to see as we begin to release data in years to come.

25 We do not have data as differentiated for

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1 Hispanic Americans. However, it is more difficult to  
2 assess that data. Many of these data we are getting  
3 from the schools and school districts, and they don't  
4 all collect it the same way. But certainly the Asian  
5 Pacific data is one that we are working very hard to  
6 have data in the future to differentiate the results.

7 CHAIRMAN CASTRO: So the school districts  
8 are differentiating between and among Asian subgroups  
9 but not Hispanic?

10 DR. CARR: Yes.

11 CHAIRMAN CASTRO: Why is that?

12 DR. CARR: No, they do, but they don't all  
13 report to us that way.

14 CHAIRMAN CASTRO: Okay.

15 DR. CARR: They don't all report the  
16 origin, and we don't collect the data as -- in such a  
17 refined way for Hispanics.

18 CHAIRMAN CASTRO: But now you are planning  
19 to begin to collect that data.

20 DR. CARR: Yes.

21 CHAIRMAN CASTRO: Is there some way that  
22 -- you know, yesterday we were talking about leveraging  
23 federal dollars for state investment in education. Is  
24 there some way that, since I'm sure all of these school  
25 districts are receiving some form of federal aid, that

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1 you can request, if not mandate, that they provide you  
2 with that data broken down by subgroup?

3 DR. CARR: Well, I don't want to say that  
4 they are refusing to give that to us. It's a matter  
5 of putting the procedures for data collection in place  
6 such that when one state gives us an indication and a  
7 definition for origin of the student it is the same as  
8 another state.

9 So I think it is a matter of getting our  
10 definitions and procedures in place. I don't think  
11 it's a funding issue.

12 CHAIRMAN CASTRO: And so whose  
13 responsibility is that?

14 DR. CARR: It's a collective  
15 responsibility of working partnerships with the states  
16 and with the surveys and mandated surveys, in addition  
17 to the ones that are not mandated by the U.S. Department  
18 of Education.

19 CHAIRMAN CASTRO: So is that planning --  
20 is there a plan to do that, or is it just sort of it  
21 would be nice to do that?

22 DR. CARR: No. We are cognizant of the  
23 need to differentiate amongst the origins of the  
24 students. And we have started, as I indicated, most  
25 notably with the Asian Americans. So --

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1 CHAIRMAN CASTRO: Okay. So you plan to do

2 --

3 DR. CARR: We are on that pathway, yes.

4 CHAIRMAN CASTRO: Okay. Thank you.

5 Commissioner Yaki?

6 COMMISSIONER YAKI: Thank you very much,  
7 Mr. Chair.

8 I have been thinking about this over the  
9 past couple of days, and we have been talking a lot about  
10 there is an achievement gap that may impact access to  
11 higher education. There is a financial gap that  
12 impedes that as well, and then there is the completion  
13 gap in terms of being -- once you're in there being able  
14 to finish it, and how all of that goes toward debt  
15 burden, incoming earning, and, in the case of some, you  
16 know, the ability to escape a life of, you know, the  
17 low SES factors, or what have you.

18 One of the questions I wanted to ask for  
19 all of you, if you have it, is it appears to me that  
20 in looking at the issues of access to begin with, that  
21 community colleges play a very important role in  
22 providing a couple of things. One, if we can achieve,  
23 as some states are doing and as President Obama has  
24 wanted, to have free community college, we are sort of  
25 closing the financial access gap there.

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1           But, secondly, within the community  
2 college system itself, you can provide the kinds of  
3 instruction that can get someone up to the speed where  
4 they can then transfer to the four-year institution for  
5 completion. Do we have any data on community colleges  
6 and their role and their success rate in terms of  
7 minority students, getting them in and being able to  
8 matriculate them into a four-year institution, and  
9 whether or not that has any impact on their ability to  
10 complete the baccalaureate degree? I mean, do we have  
11 any data on that?

12           PROFESSOR FLORES: So there is data, both  
13 at the national and state level. I would argue that  
14 some of the state administrative databases have the  
15 best data to really track the pathway in clear detail.  
16 A number of studies across different states -- Ohio,  
17 Texas, and a few others -- actually found that starting  
18 at a community college reduces the rate of BA  
19 completion.

20           So knowing that, how do we work around it  
21 or with it? There has been an explosion of research  
22 on community colleges. Teachers College out of  
23 Columbia has done a great deal of work as well. I think  
24 in terms of minorities, because that is -- and low  
25 income students, that is the first place of entry,

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1 regardless of academic preparation.

2 So it is an opportunity and also a  
3 challenge. If the institution is not operating or  
4 performing as it should, it has -- it could have the  
5 effect of basically working against the preparation  
6 that students come with.

7 At the same time, students who are very --  
8 don't have proper preparation, this is a good place to  
9 begin to at least earn some form of credential. But  
10 there is a lot of work out there. I would be happy to  
11 refer you to more.

12 I would say that the state databases have  
13 that level of detail, and also you can get more  
14 information on the partnerships, because articulation  
15 agreements -- Florida has great articulation  
16 agreements. Other states are working toward that.

17 But I think that one of the trends we see  
18 in Texas is where students can graduate with an  
19 associate's degree in high school. And that has been  
20 a really interesting development in how we think about  
21 postsecondary education. You don't have to finish  
22 high school before you begin, and so that's, again,  
23 another area where states -- some states have better  
24 data than others, to really look at the community  
25 college as the boundaries are now blended between high

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1 school and community colleges.

2 COMMISSIONER YAKI: Dr. Minor?

3 DR. MINOR: Thank you. I do think we have  
4 very good data. I just think we are not very  
5 enthusiastic about what it tells us about how  
6 first-generation low income students are performing in  
7 community colleges.

8 Although they are very accessible to  
9 students and relatively affordable, if not free in some  
10 states, or virtually free, we still have very serious  
11 challenges getting those students to complete either  
12 the associate's degree or to earn enough credits to  
13 transfer into a four-year college or university.

14 Twenty-five years ago maybe community  
15 colleges were talked about as having a cooling out  
16 function. And I do think we've got enough data to  
17 suggest that in some cases it does lower the likelihood  
18 that students earn a bachelor's degree. But there are  
19 two things -- or a few factors that I think play into  
20 why we are experiencing these kind of outcomes for  
21 students.

22 In any state system, community colleges  
23 tend to be under-resourced institutions. The majority  
24 of the faculty tend to be adjunct or contract faculty.  
25 And there is not a residential component, which means

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1 students who are pursuing the associate's or taking  
2 classes at a community college are also living their  
3 life, unlike a lot of students who are attending  
4 four-year institutions, which in some cases impedes  
5 their ability to persist.

6 And then I do think in some states that have  
7 very good articulation agreements we still have the  
8 issue of students accumulating enough credits over a  
9 period of one to, you know, six or eight semesters that  
10 would allow them to transfer. So, you know, California  
11 is a good example. It is also a challenging example  
12 that for a long time has had the most universal access,  
13 the strongest articulation agreements.

14 But 75 percent of Latino students and 75  
15 percent of African American students who begin don't  
16 transfer or don't earn the associate's degree after six  
17 years. And that is just very problematic.

18 COMMISSIONER YAKI: Well, you know, it's  
19 interesting to me because, you know, the search for  
20 these kinds of answers -- I think that Commissioner  
21 Achtenberg was sort of talking about the fact that you  
22 have all these different things in play. I mean,  
23 education is a holistic endeavor. You're starting  
24 from -- you know, you're trying to make up for  
25 deficiencies that may have happened at K through 12,

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1 and how do you do that? Do you do it -- do you do that  
2 at the community college level? Do you do it through  
3 supplemental services at the college level?

4 I mean, part of what you are telling me is  
5 that maybe community colleges aren't the sort of  
6 secondary lifeboat that they could be or should be, or  
7 maybe they should be but they're not resourced  
8 correctly, they're not staffed correctly, they're not  
9 programmed in the right way. They become this sort of  
10 generic catch-all for a lot of different things that  
11 may or may not really lead to that baccalaureate degree.

12 So I wish that -- part of me wishes that  
13 we had done almost a second and a half day to get some  
14 of the community college folks in here to talk about  
15 this, because there seems to be, you know, a lot of  
16 people throwing that out there. Well, if they can't  
17 get into Cal, they can't get into Michigan State, they  
18 can't get into wherever, they go to community college  
19 and they transfer. Well, if that reality isn't really  
20 there, we need to know about that.

21 There is one thing that I want to pursue  
22 that Commissioner Achtenberg I think was trying to  
23 nudge you on, and I appreciate the fact that you may  
24 not be able to talk about it, but when you look at  
25 programs like TRIO, or you look at SEOG, which are

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1 creatures of congressional creation, our job here is  
2 to be the watchdog. Our job here is to, you know, bark  
3 as loudly as we can on an issue where we think that maybe  
4 something needs to be changed.

5 When you look at a change -- when you look  
6 at completion rates within colleges, and across the  
7 board, does it say to you, to any of you, that maybe  
8 TRIO or especially supplemental services, student  
9 services, others, shouldn't be a grant, which would be  
10 almost formula-based on how many low income minority  
11 students you have in your institution?

12 And it shouldn't be a question of whether  
13 or not you have a good grant writer and the ability --  
14 and someone who has the time may do that, but simply  
15 to say when the Cal States system has so many Latinos  
16 in their system, or African Americans or whoever, that  
17 we need the ability to say, "This should not be a  
18 discretionary program. This should be a mandatory  
19 program."

20 Because we have a national challenge with  
21 a national goal to ensure that once you are there you  
22 make it out, because we heard testimony yesterday what  
23 happens about people who don't make it out, the debt  
24 burden that it causes to them, how it creates the legacy  
25 of debt for the next generation, that impedes their

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1 ability to move on, you know, there are things that we  
2 can do.

3 And so are these things where we should be  
4 rethinking the issue of grant and thinking more along  
5 the lines of Pell or something as an entitlement to  
6 institutions almost -- it is almost a reward for their  
7 ability to enroll minority and disadvantaged students.  
8 But it is also just a practical reality that we are going  
9 to help make more productive people if we give them the  
10 resources to stay and succeed.

11 DR. MINOR: Yes. Let me just answer  
12 quickly and carefully, if I may.

13 COMMISSIONER YAKI: I understand.

14 DR. MINOR: It's an interesting question,  
15 but I think we have to consider it carefully. There  
16 are provisions in the regulations that spell out who  
17 should be served by many of these programs, and I am  
18 very clear about those regulations, and they are clear  
19 that they are designed to serve first-generation and  
20 low income students. There's no doubt about that.

21 I think the question that you are pursuing  
22 is where those grants ought to live, and what kinds of  
23 institutions should --

24 COMMISSIONER YAKI: Actually, it's not  
25 even that. I would -- part of what I was looking at

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1 -- and yesterday I asked this as well -- is do we need  
2 -- I mean, it's great and it's certainly -- its  
3 creation, we understood that first-generation  
4 individuals are people who deserve extra attention.

5 But the fact of the matter is is that over  
6 the past 25, 30, 40 years, you know, since the advent  
7 of the Civil Rights Act, things have changed. We have  
8 created a legacy of poverty and injustice in certain  
9 communities in this country where essentially for all  
10 testing and practical purposes they are first  
11 generation. They are a generation that never got the  
12 chance to get the promises of -- that government and  
13 others had made in the war on poverty and others.

14 So do we need to change that and say TRIO  
15 should not be just -- should not be a grant award  
16 restricted to this category, but we should look at  
17 disadvantaged students generally in a TRIO-type  
18 program for all those students.

19 DR. MINOR: Again, I think it's a  
20 theoretical question. It's a philosophical question.  
21 I think in the actual application of --

22 COMMISSIONER YAKI: It's a philosophical  
23 question. It's a fiscal question.

24 DR. MINOR: All of those things combined,  
25 and I think one of the opportunities will -- Congress

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1 will take up the reauthorization of the Higher  
2 Education Act, and it is one of the questions that I  
3 think is worth pursuing, and I think the -- you know,  
4 the bigger question there is, how effective are the  
5 programs that we are currently invested in? Could we  
6 leverage the funds differently or focus them  
7 differently in a way that would be more effective and  
8 ultimately sort of improving the social mobility of the  
9 students that we think the programs were intended to  
10 help?

11 I think that's one of several questions  
12 that we could take up. But we should do it carefully  
13 because there are no clear answers. And the final  
14 thing that I would say about that is that any provisions  
15 that spell out how federal grant awards would be made  
16 has to be careful not to offend the constitution and  
17 any applicable laws, which would make it very difficult  
18 in some cases to focus on specific populations as  
19 recipients of federal funds.

20 COMMISSIONER YAKI: Thank you, Mr. Chair.

21 CHAIRMAN CASTRO: Thank you.

22 Vice Chair, you're next, followed by  
23 Commissioners -- I'm sorry. Okay. Go ahead.

24 PROFESSOR FLORES: Well, I'm not  
25 necessarily going to tell the federal government where

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1 they should redistribute their money, but I will say  
2 that you brought up the point of successful grant  
3 writers. I think we do have a problem of capacity at  
4 some institutions, and capital -- social capital in  
5 terms of being able to leverage the best grants, the  
6 best designs, and so forth, and so I think maybe  
7 investing in institutional capacity to have stronger  
8 grant opportunities and more successful grant  
9 opportunities would be one way to think about where to  
10 spend additional funds.

11 And I do think even if we weren't going to  
12 redistribute or -- between programming, I do think we  
13 -- we still need some form of accountability that the  
14 money is being spent right.

15 And I think to Dr. Minor's point about not  
16 offending the constitution, there is a way I think to  
17 be able to increase capacity of institutions with the  
18 lowest income students and still call for  
19 accountability.

20 CHAIRMAN CASTRO: Thank you.

21 Madam Vice Chair, you'll be followed by  
22 Commissioners Narasaki and Heriot.

23 VICE CHAIR TIMMONS-GOODSON: Thank you  
24 very much, Mr. Chair.

25 And this question would be to all of our

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1 panelists. As educators and others have looked out and  
2 reviewed pathways to higher education for our poor, our  
3 first-generation college, our underrepresented  
4 minority students, one of the fairly novel concepts  
5 that has been developed is that of the early college.

6 And as I understand that program, it  
7 combines high school and college, that by the time a  
8 student completes their high school requirements they  
9 have also completed two years of college. I was  
10 wondering if there is any data out there and whether  
11 this is a trend that you see merit in, or what do our  
12 statistics and our information tell us?

13 DR. MINOR: Well, what I would say is that  
14 these are fairly new programs, not in all cases, but  
15 we hadn't seen them as systematic programs. One of the  
16 challenges is is that public education in our country  
17 belongs to the states. And a few places that I have  
18 lived I have had the pleasure of learning that there  
19 were more the school districts than counties, which all  
20 have different calendars, different graduation  
21 requirements, different rules and regulations about  
22 how to account for courses.

23 And I think it is challenging. I think  
24 theoretically and conceptually it is a wonderful idea  
25 in two ways. One is that students actually accumulate

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1 college credits, which makes college more affordable.  
2 But I think what is more important about that is that  
3 they actually understand themselves as clearly  
4 transitioning from high school to some postsecondary  
5 institution.

6 So it is a way, maybe not formally but an  
7 even, you know, I think culturally and socially to give  
8 students in the mindset of, that they are expected to  
9 transition from high school to some postsecondary  
10 institution. So I think it's early.

11 You know, it's interesting, I was in the  
12 state of Florida just a few weeks ago, and their  
13 legislature has mandated that they've got four LAF  
14 schools that are attached to the universities. And one  
15 of them is FAU, Florida Atlantic University, which not  
16 only does early college -- I actually had an opportunity  
17 to meet a 17-year-old, a 19-year-old, who both were on  
18 their way to graduate school, that they had accumulated  
19 so many credits, not only high school, but on a college  
20 campus during that period of time.

21 So we've got models, but I don't think  
22 we've got systematic data at this point to suggest which  
23 models of early college work best.

24 VICE CHAIR TIMMONS-GOODSON: Is that  
25 something that the Department of Education can -- I

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1 understand how education is generally a state-run  
2 program. But is there something that the Department  
3 of Education could possibly do to encourage folks to  
4 go and to get additional information? Because, you're  
5 right, the kids are actually on a college campus more  
6 often than not, and they begin to see themselves there.

7 DR. MINOR: Absolutely. It is one of  
8 things that we expect to incentivize in some of our  
9 programs where it's appropriate. So we are very  
10 excited about the potential of early college.

11 DR. CARR: At the National Center for  
12 Education Statistics we collect transcript data from  
13 high schools, and we are also beginning to collect data  
14 from middle schools as well, because some of these kids  
15 are actually involved in these programs.

16 It is a new trend. It takes a while to sort  
17 of get this in the mode of data collection. But we are  
18 on it -- we understand that there are even different  
19 models or types of these programs. But it takes time  
20 to collect these data and get them into the pipeline.

21 I should say, though, that one of the  
22 things that is going to facilitate this type of data  
23 collection, the digital approach to transcript data  
24 collection, currently what is done for most schools and  
25 school districts is that we have to do it by hand, which

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1 is very labor intensive. The coding of these data is  
2 also not very standardized, and so there are some issues  
3 to work out. But it will be available in the coming  
4 years.

5 PROFESSOR FLORES: I would add that I  
6 think the Institute of Education Sciences has started  
7 to fund a couple of researchers looking at the effect  
8 of, say, dual enrollment, not to necessarily college  
9 -- early college, high schools.

10 But one of the things to note on these  
11 programs is, what are we measuring? Are we measuring  
12 the students who would have gone to college anyway?  
13 And it's getting through that issue of selection bias  
14 and finding the benefit to students who may not have  
15 gone to college. And I think that's one of the key  
16 things to disentangle out of this.

17 But -- and forgive me for repeating this  
18 again, but there are ways to begin to measure this, and  
19 I think some of the state databases, like the one in  
20 Texas, would be able to give you some of the answers  
21 that you are looking at, because we are seeing students  
22 from the Rio Grande Valley, from South Texas, from some  
23 of the poorest counties in the nation graduating with  
24 associate's degrees leaving high school.

25 We have yet to -- we don't know what that

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1 means for long-term trajectory, but we do have evidence  
2 that completing the associate's degree does lead to --  
3 increases the odds of completing a bachelor's degree.

4 VICE CHAIR TIMMONS-GOODSON: Thank you.

5 Mr. Chair, do I have time for one --

6 CHAIRMAN CASTRO: Sure.

7 VICE CHAIR TIMMONS-GOODSON: -- other  
8 question?

9 As a former state trial and appellate  
10 judge, I saw early on that indeed there was a  
11 correlation between education and incarceration. In  
12 fact, it was often repeated that the number of students  
13 not reading at grade level by the third grade was one  
14 of the assessments that was used to project the number  
15 of prisons that were to be constructed, and the number  
16 of prison beds that we would need as states and a nation.

17 And you comment on that, is there any  
18 truth, Dr. Carr, to such a statistic being kept? And  
19 if you know whether in fact it's used as a projection  
20 for the number of prisons and prison beds that we will  
21 need.

22 DR. CARR: Well, I can say that we  
23 certainly don't keep it, and -- but I don't doubt that  
24 it doesn't exist or if people aren't using it to make  
25 such projections. But I can't say that the gaps

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1 between minority students and white students are large  
2 and they are persistent and they start early.

3 And this is something that we really do  
4 need to be concerned about. The reading of students  
5 or their inability to read as early as third grade is  
6 a predictor of a lot of factors that are detrimental  
7 to the future, or project students and their academic  
8 pursuits.

9 I think, though, we cannot lose sight that  
10 there has been significant progress. It is not all  
11 doomsday. It looks bad, I realize, but the data  
12 suggest that all students, regardless of  
13 race-ethnicity, are improving, although the gaps are  
14 still there.

15 And the only reason the gaps are narrowing  
16 is -- even as small as they are, is because the bottom  
17 of the distribution is coming up quicker. And that  
18 being said, minority students, black students,  
19 Hispanic students, are making significant  
20 improvements.

21 VICE CHAIR TIMMONS-GOODSON: Dr. Minor,  
22 Dr. Flores, any comment?

23 DR. MINOR: I would concur with Peggy. I  
24 don't doubt that the statistic exists. It is not  
25 something that the Department of Education maintains.

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1                   PROFESSOR FLORES:   And I would just add  
2                   there is evidence out of economics that shows increased  
3                   educational attainment, and especially completion of  
4                   the high school degree, reduces crime.

5                   CHAIRMAN CASTRO:   Thank you.

6                   Commissioner   Narasaki,   followed   by  
7                   Commissioner Heriot.

8                   COMMISSIONER NARASAKI:   Thank you.   Dr.  
9                   Minor, you made a comment that there were clearly many  
10                  more students who are eligible to be served who probably  
11                  aren't being served because of the limitations on  
12                  resources.   Do you have an estimate about how many we  
13                  are talking about?

14                  DR. MINOR:   I think it depends by state,  
15                  but I -- in most programs, let me say it this way, we  
16                  probably could double the number of students that are  
17                  being served by the programs that are currently funded.

18                  COMMISSIONER NARASAKI:   So some of the  
19                  witnesses who are testifying over these two days of  
20                  hearings have proposals of either they feel that there  
21                  is insufficient data to show that TRIO and the other  
22                  programs have been sufficiently successful so that we  
23                  should just eliminate funding for that, or some of them  
24                  have been successful, so perhaps it would be better to  
25                  roll it all into one big general grant program that was

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1 more flexible.

2 I'm wondering what your take on -- in terms  
3 of the data, how could we improve the data collected  
4 -- Dr. Minor, you noted that the Department has been  
5 doing more rigorous database research. I'm wondering  
6 what you have learned. And I'm wondering whether you  
7 -- any of you have a response to the issue, how could  
8 these programs be improved?

9 DR. MINOR: Well, thank you. I  
10 appreciate you highlighting the point. There is no  
11 doubt about it that we need to have better evaluation  
12 and data attached to this kind of investment annually.  
13 I make no bones about that.

14 In terms of what to propose in place of or  
15 instead of is an interesting question, because as  
16 durable as these programs have been, I don't think that  
17 there is consensus in the field about how to replace  
18 them or how to do the work better. I think the one thing  
19 we are clear about is that there are many factors that  
20 contribute to a young person being successful in the  
21 education system. And so there is some need for a  
22 diversity of efforts.

23 But one of the things that I have been very  
24 clear about, and I think the Department is very clear  
25 about, is increasing the rigor of the evaluations that

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1 are attached to the program. Some of these programs  
2 were started 50 years ago, and rigorous evaluation  
3 about effectiveness was not a part of sort of the  
4 legislative record at that time.

5 But I think now, as we move forward, I think  
6 we do -- we are significantly more sophisticated in  
7 terms of the social science. We still have some  
8 serious data problems to fix, but I can guarantee you  
9 it's not just the Department, that the grantee  
10 communities and the constituents are also very  
11 cooperative and interested and willing to learn about  
12 how to more effectively serve students.

13 I met with the group just two weeks ago,  
14 and one of the things that I try and communicate to them  
15 -- these are not federally funded programs to build  
16 roads or to build bridges. These are young people.  
17 And I take seriously the issue that we could be spending  
18 taxpayer dollars in programs that don't effectively  
19 help students be successful in educational systems.

20 So it is something that we are very serious  
21 about, and I expect that to become a much more  
22 significant factor going forward.

23 CHAIRMAN CASTRO: Anybody else?

24 COMMISSIONER NARASAKI: Has Congress been  
25 providing sufficient funding to do the kind of research

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1 that I think everybody agrees would be ideal?

2 DR. MINOR: The answer is no. So one of  
3 the -- what's interesting, when we raised this to the  
4 grantees, Dr. Flores mentioned that the kind of  
5 expertise and the kind of data collection and capacity  
6 required to do the kind of evaluation has not sort of  
7 been baked into the budget.

8 So one message from grantees is that "We  
9 are working as hard as we can, James, to serve  
10 students." Now you want to sort of lay on this  
11 exquisite, elaborate evaluation without additional  
12 resources. It is problematic, and so I think that's  
13 something that we have to take up. If in fact we are  
14 going to ask individuals who have been awarded grants  
15 to do additional work, to be responsible for rigorous  
16 evaluation, we've got to be serious about providing  
17 that kind of support.

18 CHAIRMAN CASTRO: Okay? Commissioner  
19 Heriot? Oh, I'm sorry.

20 COMMISSIONER HERIOT: Actually, I think  
21 Dr. Carr was --

22 DR. CARR: No, it's okay. I'll pass.

23 CHAIRMAN CASTRO: Are you sure?

24 DR. CARR: Yes.

25 CHAIRMAN CASTRO: Okay.

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1                   COMMISSIONER NARASAKI: I actually had  
2 one more question.

3                   CHAIRMAN CASTRO: Go ahead.

4                   COMMISSIONER NARASAKI: So it has been my  
5 experience that the cost of attending college is not  
6 just the tuition and fees. The challenge it seems in  
7 a lot of the reading that we have is that, not  
8 surprisingly, if you come from a poor or low income  
9 family you are trying to work full-time or a lot. And  
10 that contributes potentially to not being able to  
11 finish on time.

12                   And so I'm wondering how much research, if  
13 any, has been done on the efficacy of providing  
14 stipends, so that students not only -- so that they can  
15 spend more time being able to study and take a full load  
16 than having to have the stress of working full time as  
17 well as trying to carry a full load?

18                   DR. MINOR: Let me just say quickly I'm  
19 very proud of one of the programs that is run by the  
20 Department of Education. It's not a TRIO or a GEAR UP  
21 program, but we refer to it as CAMPAS, Child Care Access  
22 Means Parents and School. And essentially what it does  
23 is provide child care access for students who have  
24 children. And so I think it's a critically important  
25 factor.

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1           One of the things that I want to make clear,  
2           and I don't know that this data point has come up in  
3           the day and a half that you all have heard testimony,  
4           is that we often talk about college students as  
5           18-year-olds who just left high school when in fact  
6           that's not true, that the mean age of students has gone  
7           up over the years.

8           Right now in this country there are more  
9           individuals between the ages of 25 and 64, individuals  
10          we expect to be in the workplace, that have some college  
11          but no degree, meaning that they started college  
12          somewhere and they fell out. There are 36 million  
13          individuals in that age group, and only 33 million  
14          individuals in that age group who actually have a  
15          bachelor's degree.

16          What that tells me is that not only do we  
17          have to provide very traditional opportunities for  
18          individuals to earn a postsecondary credential or  
19          degree; we also have to provide less traditional ways  
20          or nontraditional ways for students who may have  
21          started three years ago, stopped out to work, to have  
22          children, to raise a family, to do those kind of things,  
23          and we have to provide degree opportunities and  
24          pathways for those individuals to return.

25          PROFESSOR FLORES: I think I would add

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1 that the common student is no longer the 18- through  
2 24-year-old, without work responsibilities or family  
3 responsibilities. So this idea of a stipend would be  
4 a great experiment to implement. Would it work? Part  
5 of that may mean, "Well, you still have to fill out the  
6 FAFSA and figure out how to comply with federal  
7 regulations."

8 And at the end of the day, for many poor  
9 students they never get near filling out the FAFSA. So  
10 it's -- there is going to be significant scaffolding  
11 needed to understand who would even qualify for a  
12 stipend, especially if it's federal money. So we come  
13 back to the simplification of how to even make yourself  
14 known as a student in need.

15 And, you know, the easier way out, so to  
16 speak, is to just pay as you go at community colleges.  
17 So I think it's a great idea. It could be a great  
18 experiment, but it is going to require additional  
19 scaffolding.

20 CHAIRMAN CASTRO: Thank you.

21 Commissioner Heriot?

22 COMMISSIONER HERIOT: Thank you. I just  
23 wanted to go back to a point that the Chairman started  
24 with, and point out that it's a complicated world for  
25 all races. And we talked about disaggregating data for

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1 Asians and for Hispanics. But disaggregation is going  
2 to make things look different for blacks and whites as  
3 well, I believe.

4 For instance, my understanding is that  
5 Caribbean blacks tend to do better in the higher  
6 education setting than non-Caribbean blacks. And that  
7 among whites, you get some big differences as well.  
8 You know, some ethnic groups do better than others in  
9 higher education.

10 Jewish students, for example, have been  
11 extraordinarily successful in the higher education  
12 setting. Scots-Irish, on the other hand, have been  
13 considerably less successful in that setting, have not  
14 done nearly as well.

15 This is not to say that these groups don't  
16 excel in other areas, but in the area of higher  
17 education there are differences among, you know,  
18 subgroups within blacks and within whites.

19 Has anyone collected any data on that? Is  
20 there any plan to collect data on that kind of issue?  
21 I guess this is for you, Dr. Carr, most, but anybody  
22 else who would like to jump in there.

23 DR. CARR: Well, you know, it's a very  
24 complex set of questions you start asking people those  
25 sorts of things about their religion, even sometimes

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1 their origin, their country of origin. So we have to  
2 be very careful. We work closely with OMB regarding  
3 how we can ask these questions and how we can report  
4 out on these questions. Just because the states or the  
5 school districts collect the data doesn't mean that OMB  
6 will support us reporting our data in that way.

7 But I do think that there is a wealth of  
8 data through other means, not just from the National  
9 Center on Education Statistics, that show that blacks  
10 -- the differentiation blacks from the African nations,  
11 for example, tend to score higher, the Caribbean blacks  
12 as well.

13 So there is a lot of information that tells  
14 us that we need to be paying attention to these  
15 differentiations. But we have to be careful about how  
16 we ask these questions.

17 PROFESSOR FLORES: I appreciate your  
18 question. I think it's very important in terms of when  
19 -- the question to me makes me think about studies of  
20 immigrant students, right, and generational status.  
21 And the Census has many data sets where you can begin  
22 to disaggregate among white, black, Asian, Latino,  
23 Native American groups, and there is considerable work  
24 thinking about bi-generational status for each group,  
25 how are they doing? And I would be happy to refer you

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1 to that research.

2 I don't think the answer is to not  
3 disaggregate, because if we are thinking about where  
4 to spend federal money, or even state money, it is  
5 important to know where the gaps are.

6 DR. CARR: I would add one sort of  
7 technical problem with the disaggregation sort of  
8 pathway, and this is a statistical one. Once you start  
9 disaggregating at a certain level, you are not going  
10 to have enough sale size or statistical power to detect  
11 patterns that are reliable and dependable over time.

12 So in many instances you can't go down as  
13 far as you would like or to cross those subgroups with  
14 gender, for example. Pacific Islanders is a really  
15 good case, and there are very few, and they are sort  
16 of located in certain states. Only in about five  
17 states to be specific.

18 COMMISSIONER HERIOT: The thing that  
19 worries me is that I think a lot of Americans get the  
20 idea that blacks as a group and whites as a group are  
21 monolithic, and neither group is the least bit  
22 monolithic. You know, they are very complicated  
23 groups, and it is -- I take, you know, your point on  
24 the difficulty of collecting the data and the  
25 sensitivity of the issue. But it is important to me

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1 that people understand that these are not monolithic  
2 groups.

3 CHAIRMAN CASTRO: Is it a quick question,  
4 Commissioner Kirsanow?

5 COMMISSIONER KIRSANOW: I believe so.

6 CHAIRMAN CASTRO: Okay. Go ahead.

7 COMMISSIONER KIRSANOW: Thanks very much,  
8 Mr. Chair.

9 Dr. Carr, what factors contribute to the  
10 determination of what -- first of all, socio-economic  
11 status. I think we have a general understanding that  
12 it has to do with primarily income, or are there other  
13 factors that contribute to a determination of someone's  
14 socio-economic status?

15 DR. CARR: There are three factors in the  
16 literature that are typically used to determine  
17 socio-economic status. Holland said in 1954, for  
18 example, identifies income, parental education, and  
19 occupation as the three key factors. But having done  
20 research in that area myself, I can say even within  
21 those key factors there is differentiation about what  
22 they actually mean based upon the cultural and racial  
23 makeup of the family.

24 So income, for \$100,000 income for a black  
25 family might mean something very different than

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1 \$100,000 for, say, a white family, or having a four-year  
2 degree for a black family, a family with parents with  
3 four-year degrees, may be something very different from  
4 a family with a different sort of access to a different  
5 type of four-year institution. So it varies, and so  
6 we have to be very careful.

7 So the Department has depended most  
8 notably on data from the free and reduced price lunch,  
9 as I mentioned earlier. But we are having problems now  
10 with the reliability of those data. And collecting  
11 those actual income data from the parents is also a bit  
12 of a herring because they -- parents often don't want  
13 to tell you how much they make, even when you give them  
14 ranges.

15 COMMISSIONER KIRSANOW: Okay. So  
16 income, parental education, occupation --

17 DR. CARR: Yes.

18 COMMISSIONER KIRSANOW: -- I noted from  
19 one of your graphs that Asians, even from low SES --

20 DR. CARR: Yes.

21 COMMISSIONER KIRSANOW: -- dramatically  
22 outperform not just other groups from low SES but groups  
23 from high SES.

24 DR. CARR: Yes.

25 COMMISSIONER KIRSANOW: Do you have an

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1 analysis or any data, has the Department done any  
2 analysis or data why low SES Asians outperform just  
3 about everybody else?

4 DR. CARR: Well, when you bifurcate the  
5 data by socio-economic status, regardless of how you  
6 do it, the Asians are not disproportionately located  
7 in the lower SES as compared to, say, blacks and  
8 Hispanics.

9 Unless you separate the Asian Pacific  
10 Islanders out, they are very poor. And so you don't  
11 see the pattern that we saw here today.

12 COMMISSIONER KIRSANOW: And one other  
13 question for Dr. Minor. You mentioned a number of  
14 programs, TRIO, GEAR UP, I think CAMPAS program, do you  
15 have an understanding of how much those programs -- or  
16 total expenditures for all the programs? Has it been  
17 level? Has it been flat? Has it increased from 1990  
18 to the present? Do you have any data related to that?

19 DR. MINOR: Yes. We have very specific  
20 data for all of the programs in terms of the  
21 appropriation levels from year to year. I would say  
22 over the last decade there have been very small  
23 incremental increases, subject to the budget, but  
24 fairly flat compared to lots of other indicators.

25 And the big question again is whether or

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1 not the investments, or a two percent increase or a  
2 three percent increase, whether or not that is  
3 sufficient to actually sort of see the movement we need  
4 to see across the country, but in the last just several  
5 years have been relatively flat with small incremental  
6 increases.

7 COMMISSIONER KIRSANOW: Okay. And when  
8 did those programs -- for example, when did the bulk  
9 of these programs have their incipiency? Was it  
10 recently or was it -- can you take it back to 1970s,  
11 1980s, 1990s?

12 DR. MINOR: So some of the programs we  
13 spoke of earlier, the suite of TRIO programs, Upward  
14 Bound, Talent Search, EOC, were about 50 years old and  
15 were a part of the legislation, the Great Society that  
16 sought to end poverty in 1960s.

17 Some of them -- GEAR UP, that we mentioned,  
18 came online in 1998. Some of them, like First in the  
19 World, as recent as last year; 2014 was the first year  
20 of that grant program.

21 So the majority of them, there was a bundle  
22 that came online about 50 years ago, some mid-to-early  
23 '90s. Some of these represent extensions of other  
24 programs and some of them are new.

25 You heard me mention earlier the

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1 President's goal to be first in the world. That has  
2 been complemented by the establishment of a grant  
3 program to spur innovation and degree completion in  
4 postsecondary education. So that program this year is  
5 only two years old.

6 COMMISSIONER KIRSANOW: So you --

7 CHAIRMAN CASTRO: I'm going to exercise  
8 Chair's prerogative here and wrap up. We're really  
9 over time, and I did want to ask one quick thing before  
10 we close.

11 Dr. Flores, you mentioned that -- and I  
12 think Dr. Minor also concurred -- that starting an  
13 associate's course in a community college makes it less  
14 likely that you are going to obtain your bachelor's  
15 degree. Is that correct?

16 PROFESSOR FLORES: Students who start --  
17 yeah.

18 CHAIRMAN CASTRO: Okay. So yesterday,  
19 Dr. Flores, William Flores, President of the University  
20 of Houston-Downtown, indicated that one of their  
21 success factors is that those students who enroll in  
22 a community college and then transfer to their school,  
23 they actually have them go back and complete their  
24 associate's degree and then graduate -- go through a  
25 graduation ceremony, and that actually increases their

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1 likelihood of completing their bachelor.

2 I don't think that that is necessarily  
3 inconsistent with what you're saying, but could you  
4 address that, if you are even familiar with that latter  
5 issue?

6 PROFESSOR FLORES: I think my light is  
7 off, so I'm going to have to speak loudly.

8 So the evidence I was speaking about didn't  
9 account for these potential innovations.

10 CHAIRMAN CASTRO: Why don't you use that  
11 microphone there? Or just let her use your microphone.

12 PROFESSOR FLORES: I don't think those are  
13 necessarily inconsistent stories. I think what we are  
14 talking about is an additional intervention, right?  
15 So the University of Houston-Downtown study started  
16 this intervention of taking students back, right?  
17 These other studies that I'm talking about didn't  
18 account for that intervention, so it is not necessarily  
19 that they are inconsistent. In fact, that could be an  
20 additional way, right?

21 The students already transfer. That  
22 already says a lot about the student, because most  
23 students never even transfer after.

24 COMMISSIONER NARASAKI: Mr. Chair, can I  
25 just answer his question?

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1 CHAIRMAN CASTRO: Oh. Is that what you  
2 wanted to do?

3 COMMISSIONER NARASAKI: Yes.

4 CHAIRMAN CASTRO: Go ahead.

5 COMMISSIONER NARASAKI: Yes. So for the  
6 Asian American community, again, a lot of the  
7 demographics are really shaped by how immigration has  
8 created the community here, and the biggest predictor  
9 of poverty in the Asian American community is limited  
10 English proficiency.

11 As you know, many Asian languages aren't  
12 based on Latin, so it is very difficult -- it is much  
13 more different to learn English. And so you have a  
14 situation where a lot of parents, for example, from  
15 Korea and other countries may be highly educated, may  
16 even have college and advanced degrees, but can't  
17 automatically turn their professional licenses here  
18 into a professional license to practice whatever their  
19 career was.

20 They end up owning grocery stores or doing  
21 very low income work. So they are highly educated as  
22 parents, which is the best predictor of whether the kids  
23 are going to go to college. But their income is going  
24 to be very low.

25 COMMISSIONER KIRSANOW: My understanding

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1 is parental education is one of the SES factors.  
2 Correct?

3 DR. CARR: Yes. Yes, it is. But these  
4 factors really need to be culminated into a single  
5 construct for them to be truly predictive.

6 CHAIRMAN CASTRO: All right. I'm going  
7 to wrap this panel up. It's fascinating. We could  
8 talk for much more. We also have another panel, and  
9 we want to be respectful of their time.

10 Thanks to each of you. It was fascinating  
11 and helpful.

12 As I bid you farewell -- you are obviously  
13 free to stick around for the balance of the day -- I  
14 would ask the other panelists to begin to move forward  
15 and our staff to change the nameplates, so we can get  
16 started on our next panel.

17 Thank you.

18 (Whereupon, the above-entitled matter  
19 went off the record at 10:35 a.m. and resumed at 10:37  
20 a.m.)

21 CHAIRMAN CASTRO: Okay. We'll get  
22 started.

23 We are reconvening now for our second panel  
24 of the day. Let me briefly introduce our panelists and  
25 then swear them in.

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1 of 23 campuses, 460,000 students, and 47,000 staff, and  
2 we are celebrating this year our graduation of our three  
3 millionth living alum. We are one of the largest and  
4 most diverse university systems in the country, and I  
5 am honored to be before you this morning to discuss the  
6 work that The Cal State University does to expand access  
7 to a quality education, to provide the tools students  
8 need to excel and to graduate, and to carry out our  
9 public mission for the good of all Californians and  
10 Americans.

11 Education has a unique role as either a  
12 gateway or, in its absence, a barrier to social  
13 mobility, economic prosperity, and civic engagement  
14 and responsibility. Therefore, equitable access to  
15 quality education is an important issue in the  
16 advancement of civil rights.

17 The CSU was born of the idea that a high  
18 quality education should be accessible to all who are  
19 willing and able to do the work. This idea was and  
20 still is revolutionary. California's public higher  
21 education system remains a model for many colleges and  
22 universities around the country and the world.

23 By creating multiple points of entry, for  
24 high school graduates, transfer students, returning  
25 adults, and advanced professionals, California's

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1 public colleges and universities are meeting the needs  
2 of the modern student. In fact, you can see the public  
3 mission of The Cal States reflected in our student  
4 population.

5 Half of our students are earning  
6 undergraduate degrees and receive Pell awards. And a  
7 third of our students are among the first in their  
8 family to attend college.

9 Many students commute from their childhood  
10 homes and the majority work to help cover school and  
11 family expenses. Students of color now make up nearly  
12 two-thirds of the degree-seeking undergraduate  
13 population at The Cal States. And more than half of  
14 all bachelors' earned annually by California's Latino  
15 students, which is the state's largest demographic  
16 group, are earned at The California State University.

17 Expanding assets for historically  
18 underserved students is central to the CSU mission.  
19 But access is only part of it. It is getting students  
20 to complete a high quality degree and flourish  
21 thereafter is our true goal.

22 The first, and often the most daunting  
23 barrier to degree completion, is college readiness.  
24 The CSU has embraced several approaches to empower  
25 students who need additional preparation to be

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1 successful in the university environment.

2           These steps include partnering with K  
3 through 12 and community colleges to help students  
4 develop university level skill sets, while also forging  
5 clear degree pathways between the systems. We know  
6 that for many the near-term goal of high school or  
7 community college education is receiving that  
8 university acceptance letter, yet we, as university  
9 folk, must look out to the further horizon.

10           Acceptance to a CSU must come with a plan,  
11 a plan of support and the will and the ability and the  
12 resources to execute that plan.

13           That is why we recently launched  
14 Graduation Initiative 2025, really an ambitious effort  
15 to raise our four- and six-year completion rates while  
16 narrowing the persistent degree attainment gaps for  
17 historically underserved and low income student  
18 populations.

19           The core principle of this initiative is  
20 that all students should have the opportunity to  
21 succeed, regardless of the neighborhood they grew up  
22 in, the schools they attended, their parents'  
23 educational level, or their family income level.

24           Serving the modern student means  
25 confronting the full range of barriers they face. Yes,

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1 I am here to tell you that these barriers can and will  
2 be overcome. CSU students, faculty, and staff are  
3 already leading the way.

4 We are bringing -- to bring individualized  
5 learning to scale in a massive system of nearly half  
6 a million students, and this bold action requires a  
7 combination of resources from the university, from the  
8 state, and from the federal government.

9 University and state efforts have also  
10 kept our tuition and fees down for students and their  
11 families, at an average of just \$6,759 for California's  
12 full-time married graduates, and it has been at that  
13 rate now -- constant rate for the past four years.

14 Roughly half of our students graduate with  
15 no student debt, and those who do borrow do so at levels  
16 well below the national average. Modest increases in  
17 federal financial aid investment, combined with  
18 strategic reallocation of existing resources, could  
19 help ensure that the CSU students continue to have the  
20 resources they need to be successful.

21 For example, and as detailed in my written  
22 statement, CAMPAS state aid funds are currently being  
23 allocated inequitably. Outdated formulas mean that  
24 existing dollars disproportionately go to a few  
25 students at high cost institutions. This is a policy

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1 area that lawmakers can, and in our judgment should,  
2 address.

3 Likewise, the TRIO and GEAR UP framework  
4 could be strengthened by strategically investing in  
5 transitional programs like Summer Bridge, focusing  
6 more attention on preparation in the STEM disciplines,  
7 and expanding Veterans Upward Bound, for example.  
8 These suggestions actually are modest, yet they are  
9 important and they are achievable. The combination of  
10 federal, state, and university efforts helps students  
11 stick through the early phases of an undergraduate  
12 education, which is often the timeframe of highest  
13 attrition.

14 These coordinated efforts are a tremendous  
15 benefit to underserved populations and begin to address  
16 the civil rights ramifications of unequal access and  
17 unequal support to degree.

18 The American public shares in the benefit  
19 of better access and student success through a stronger  
20 global economic position and a stronger society.

21 You know, we are all in this together. For  
22 me, it is professional, but it is also intensely  
23 personal. I, like Chair Castro and Commissioner  
24 Achtenberg, and so many others, are first generation.  
25 As an immigrant from Argentina, I was low income, and

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1 my high school, like yours, did not encourage me to  
2 consider college.

3 But I attended the California Community  
4 Colleges, and two of the California State University  
5 campuses, and the University of California-Berkeley,  
6 and then did a post-doc at the University of Michigan.

7 Well, here I am. I am proud to have had  
8 the opportunity, through public higher education, to  
9 be lifted and launched into an interesting and  
10 consequential life. And part of my support came from  
11 the federal government and what was then called the  
12 National Defense Student Loan.

13 Thank you very much.

14 CHAIRMAN CASTRO: Thank you, Dr. White.

15 Mr. Hogan?

16 DR. HOGAN: Thank you, Mr. Chairman,  
17 members of the Commission. I am not Chancellor Brit  
18 Kirwan. Unfortunately, due to a family illness, he had  
19 to attend to his wife this morning.

20 I am P.J. Hogan. I am Vice Chancellor of  
21 University System of Maryland. I am happy to be here  
22 today.

23 By way of background, the University  
24 System of Maryland comprises 12 institutions, three  
25 research universities, three historically black

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1 institutions, four traditional comprehensives, two  
2 regional higher education center, one specialized  
3 research institution, and one virtual university.

4 We are, we believe, a microcosm of higher  
5 education across the United States in a very small  
6 geographic state. In that vein, we experience a lot  
7 of and have a lot of takes on programs I am going to  
8 speak about.

9 In a moment, I will offer some thoughts on  
10 these programs and their funding, but let me begin by  
11 absolutely thanking the Commission for holding these  
12 hearings. It is very timely, with the reauthorization  
13 of the Higher Education Act coming up.

14 Chancellor Kirwan has repeatedly said that  
15 it is a national disgrace that students in families  
16 coming from the lowest quartile of income, graduate 10  
17 percent, nine to 10 percent chance of graduating  
18 college, whereas students from the upper income  
19 quartile graduated 85 to 90 percent. That is just  
20 unsustainable as a society.

21 While there are many and complex reasons  
22 why more low income students don't complete a college  
23 degree, obviously the volume of financial aid dollars,  
24 the efficacies of these programs that make these  
25 dollars available are critical to expanding success

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1 rates for these students.

2 As you know, there are roughly 7,000  
3 institutions of higher education that participate in  
4 the federal Pell Grant and/or federal student loan  
5 programs. Many of these also participate in one or  
6 more of the SEOG, Federal Work Study, and Federal  
7 Perkins Loan programs.

8 I will first speak to these three programs,  
9 then turn my attention to the various TRIO programs.  
10 Let me start by noting that there are very positive  
11 impacts of these programs. I know there are proponents  
12 of rolling a lot of the programs into one loan, one  
13 grant, one work, to make the process more streamlined.  
14 And while that may sound great in theory, speaking to  
15 our campus-based people on the front line that deal with  
16 students, this doesn't hold true in practice.

17 The benefit to campus-based programs is  
18 that they are just that. They are campus-based, and  
19 they really are student-based. The institutions know  
20 their students and have flexibility under program  
21 requirements to award the funds accordingly. Because  
22 of that, the relatively small dollars invested in these  
23 programs have a tremendously high return relative to  
24 retention, persistence, and graduation rates for  
25 underrepresented students.

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1                   These programs level the education playing  
2 field for under-resourced students and are often the  
3 deciding factor about a student completing his or her  
4 degree. But they are woefully underfunded, and many  
5 students are not able to take advantage of that.

6                   I'll cite an example. One of our  
7 institutions, Towson University, which is one of our  
8 comprehensive universities -- Towson enrolls over  
9 20,000 undergraduate students. The annual cost of  
10 attendance for an in-state student, including housing,  
11 you know, room and board, is \$24,688. Here is how  
12 Towson student aid breaks down from the most recent  
13 funding levels of FY14.

14                   Pell Grants are the largest source for  
15 underrepresented low income students, more than \$20  
16 million reaching nearly 5,300 of those 20,000 students.  
17 Institutional need-based grants directly from Towson,  
18 that's \$16 million, impacting 4,500 students. State  
19 grants through Maryland Higher Education, \$11 million,  
20 that's 4,000 students.

21                   Then you have SEOG, \$500,000 touching 313  
22 students. Work-study, \$440,000, reaching 337  
23 students. You can see the difference.

24                   Just looking at the example of Towson,  
25 consider how many more low income underrepresented

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1 minority students could be reached with additional  
2 funding and/or an improved formula for more equitable  
3 distribution of these funds.

4 As Chancellor White pointed out, the  
5 formula on some of these, it's as -- what is the cost  
6 of attendance? And then what is the family expected  
7 contribution? Well, if you have a very high  
8 cost-of-attendance institution, and a very low  
9 expected family contribution, where do you think the  
10 money is going to go? It is going to go to institutions  
11 that have very high tuition. It really doesn't -- I  
12 mean, it makes sense in theory, I guess if you try and  
13 think about the need there, but it doesn't serve the  
14 vast majority of students well.

15 This approach often results in suboptimal  
16 allocation of funding. There are often funds returned  
17 to institutions, but not allowed to be recycled to other  
18 institutions. The proposed allocation formulas from  
19 the National Association of Student Financial Aid  
20 Administrators and the Department of Education would  
21 place greater emphasis on the neediness of each  
22 school's student population, unlike the current  
23 formula.

24 We also want to make one point very clear.  
25 We are all for making every program effective, spending

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1 every dollar as efficiently as possible and putting the  
2 money where it can do the most good for students, but  
3 given the relatively small contribution of federal  
4 work-study and SEOG overall aid funding, the impact of  
5 any change to the efficacy of these programs would be  
6 minimal. To significantly increase their impact,  
7 there needs to be substantial increased funds for these  
8 programs.

9 As you know, Congress hasn't appropriated  
10 new Perkins funding since FY2006. Since then, schools  
11 have been collecting and relending funds from the old  
12 federal contributions and old institutional matching  
13 funds.

14 At this point, I want to quickly turn to  
15 the TRIO programs. They, frankly, have been a  
16 wonderful success. We have participated in Upward  
17 Bound, Student Support Services, Ronald McNair  
18 Program, and they have tremendous graduation rates.

19 It is clear from our flagship campus that  
20 the TRIO programs have been a vital part in advancing  
21 the access and success of low income first-generation  
22 students. But TRIO programs have also received cuts  
23 in recent years. You might say they are flat funded,  
24 but if it is not keeping up with inflation it is a cut.

25 Let me close by returning to my original

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1 observation. As a nation, we need to do more, much  
2 more, to support higher education access and completion  
3 for low income underrepresented minority and  
4 first-generation college students.

5           Sadly, because of low college  
6 participation and completion rates for low income  
7 students, the claim that America is the land of  
8 opportunity and an upwardly mobile society now are  
9 beginning to ring hollow. For many, the American dream  
10 has become a nightmare.

11           I, again, thank the Commission for  
12 bringing -- taking on this very crucial issue in the  
13 future of our country. I'm happy to answer any  
14 questions.

15           CHAIRMAN CASTRO: Thank you, Mr. Hogan.

16           Dean Miller?

17           DEAN MILLER: Good morning,  
18 Commissioners. Thank you for the opportunity to  
19 testify today.

20           My name is Scott Miller. I'm Director of  
21 Financial Aid at the University of Virginia.

22           Thomas Jefferson founded University of  
23 Virginia in 1819 with the goal of creating an educated  
24 citizenry to advance the ideas of democracy. Today,  
25 the university is comprised of 11 schools with 15,400

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1 undergraduates and another 6,400 graduate students.  
2 Approximately 70 percent of our undergraduate students  
3 are Virginia residents.

4 Dean Apprey and I would like share today  
5 about part of the university's approach to access,  
6 persistence, and graduation, and the partial role that  
7 campus-based funds play in that process.

8 The university's Office of Undergraduate  
9 Admission reviews a student's academic credentials and  
10 extracurricular involvement to select the strongest  
11 candidates for our student body. The office practices  
12 a need blind method in which the ability to pay for  
13 school is not a criteria considered for admission to  
14 the university.

15 In the fall of 2003, UVA President John  
16 Kesting challenged Student Financial Services to  
17 develop a program to change the economic diversity of  
18 the university. Our office suggested meeting 100  
19 percent of demonstrated financial need, and the  
20 university's Board of Visitors of approved Access UVA  
21 in February 2004.

22 The practice of meeting need for all  
23 students, in state and out of state, began with the  
24 entering class in the fall of 2004. The University of  
25 Virginia is just one of two public universities with

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1 a need blind admission policy and a commitment to  
2 meeting 100 percent of demonstrated need for all  
3 students.

4 If a student is admitted to the university,  
5 finances should not be an issue to those with financial  
6 need. In order to meet 100 percent of demonstrated  
7 financial need, the university reviews a student's  
8 eligibility for financial aid from all sources,  
9 beginning with federal, then state, and finally  
10 institutional.

11 In the first year of Access UVA, federal  
12 sources made up 42 percent of the aggregate financial  
13 need, and state sources 11 percent. The university  
14 spent \$11 million, or 30 percent of aggregate need, of  
15 its own money for need-based grants.

16 But for '13-'14, the university's cost was  
17 \$46.1 million to meet the approximate aggregate need  
18 -- financial need of \$100 million for our undergraduate  
19 population. Federal sources have dropped to 33  
20 percent, and state sources have dropped to six percent.

21 For this same timeframe, campus-based  
22 funds have dropped from being 18 percent of  
23 demonstrated financial need to five percent. Access  
24 UVA has helped to increase the percentage of students  
25 with financial need from 23 percent to 34 percent of

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1 our undergraduate population, and our Pell Grant  
2 population has increased from five percent to 13  
3 percent.

4 To demonstrate further commitment for  
5 need-based grants, the university, through its  
6 recently enacted Affordable Excellence Program, has  
7 set a goal of \$1 billion for endowed scholarships.  
8 Once reached, these endowments would generate about \$50  
9 million each year for scholarships and will help offset  
10 the shortfall from decreased commitments from federal  
11 and state sources.

12 After the initial implementation of Access  
13 UVA, some concerns arose. Some high achieving, low  
14 income students will self-select out of applying for  
15 admission, because of information in the media about  
16 increases in the cost of tuition, misunderstanding  
17 about the availability of financial aid, and fears of  
18 college loan debt.

19 Many low income first-generation college  
20 and unrepresented students are not receiving the advice  
21 and support they need to identify and enroll in colleges  
22 where they will persist to degree, with lasting  
23 consequences not only for those students but also for  
24 the nation.

25 Nearly 25 percent of low income students

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1 who score in the top quartile on standardized tests will  
2 never go to college. College access studies have found  
3 that the complexities of college and financial aid  
4 applications are a serious barrier for low income  
5 students, many of whom are the first in their families  
6 to consider college.

7 The national student to guidance counselor  
8 ratio of 467 to one means that the average student  
9 spends about 20 minutes per year talking to a counselor.

10 According to the Department of Education,  
11 90 percent of the fastest growing jobs today require  
12 postsecondary education, yet the U.S. lags behind other  
13 nations in young adults enrolled in higher education.

14 To assist with these other issues, the  
15 university began the Virginia College Advising Corps  
16 in the fall of 2005. The Advising Corps places a recent  
17 university graduate in a high school in Virginia for  
18 two years to support the work of the high school  
19 counselor by helping all students, not just those  
20 interested in the University of Virginia, to realize  
21 the dream of a college degree.

22 Advising Corps members are supported  
23 financially by the university, other sponsors, and by  
24 the AmeriCorps program. Currently, 17 advisors serve  
25 in 19 partner high schools, and the program became the

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1 model for the National College Advising Corps, which  
2 is now present in 14 states and 423 high schools.

3 For '15-'16, the number of advisors who  
4 receive campus-based funds while a student at the  
5 university was 65 percent.

6 Advisors use a near peer mentoring model.  
7 High school students can easily relate to someone who  
8 is not much older than them, and who may have come from  
9 a similar background. College advisors help students  
10 identify and apply to postsecondary programs that will  
11 serve them well academically and socially, thus  
12 increasing the likelihood that these students will earn  
13 their degrees.

14 Based on an independent evaluation, when  
15 looking at high schools served by a college advisor  
16 compared to seniors at non-college advising corps  
17 schools, students served by advisors are 23 percent  
18 more likely to apply to college, 23 percent more likely  
19 to have heard of Pell Grants, 18 percent more likely  
20 to submit the FAFSA, 17 percent more likely to attend  
21 a financial aid workshop.

22 So Access UVA and the Virginia College  
23 Advising Corps are just two of the many initiatives that  
24 the University of Virginia has utilized to increase  
25 access to higher education, after we meet their

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1 demonstrated financial need.

2 Dean Apprey now will tell you about efforts  
3 regarding persistence and graduation.

4 CHAIRMAN CASTRO: Thank you.

5 Dean Apprey?

6 DEAN APPREY: Thank you.

7 My approach will be the following. If and  
8 when the funding is in place, let's look at what  
9 students have the peace of mind to accomplish.

10 I will begin with the pivotal question:  
11 most universities have support services to facilitate  
12 an entry, retention, or, if you'd like, persistence,  
13 and graduation. These programs include peer support  
14 programs, faculty mentoring programs, academic  
15 advising, graduation audits, among others.

16 What is different at, let us say, the  
17 Office of African American Affairs at the University  
18 of Virginia that enables these same students -- these  
19 same programs to yield substantive outcomes?

20 One, there is a clear and explicit  
21 strategic position, which I will -- I can give you an  
22 outline of in a minute.

23 Two, the strategic position must have  
24 strategic consistency with the equally high  
25 expectations of the university.

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1           Three, strategy perceives operational  
2 effectiveness.

3           And, four, as a result, our programs work  
4 because horizontally they are synchronized around  
5 leadership, identity, and academic performance. And,  
6 vertically, they all rise to the explicit and clearly  
7 stated strategy.

8           There has to be a strategic position that  
9 guides the practice of student support. And the  
10 strategic position is that high graduation rates must  
11 align with correspondingly high graduating grade point  
12 average. Translation: for over 20 years, the  
13 University of Virginia has led the nation, among the  
14 flagship institutions, with the highest graduation  
15 rate. Something around 83 to 88 percent. Yesterday's  
16 figure came in at 86 percent for this past year. And  
17 what we want to do is create an alignment between that  
18 and the grade point averages with which they graduate.

19           Two, there must be a strategic consistency  
20 between the high expectations of the university and the  
21 program that implement the strategic goals and  
22 objectives of the institution. Translation: the  
23 University of Virginia generally expects the student  
24 to graduate within eight semesters. Programmatic  
25 efforts must, therefore, be used as expectation to

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1 guide the strategic implementation.

2 And, secondly, in addition, students are  
3 generally expected -- are selected who can both  
4 contribute to life at the university and benefit from  
5 it.

6 Thirdly, strategic position must precede  
7 operational effectiveness of the programs used to  
8 achieve the success. All programs must synchronize  
9 and design their efforts to make that expectation  
10 happen.

11 The point here is that graduation rates  
12 look good for the university, but they don't put food  
13 on the table. Grade point averages do, and that's why  
14 that alignment is so important.

15 Okay. Next, these three cohorts --  
16 student leadership, identity and difference, student  
17 economic performance with high GPAs matter, because at  
18 the end of the day you want to have -- students to become  
19 the leaders that the university was set up to create.

20 Two, it matters that an African American  
21 student knows why he or she is a teacher of that  
22 particular origin.

23 And, third, student academic performance  
24 must allow the students to compete for greater access  
25 to more opportunities when they graduate.

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1           When you put all these together, you will  
2           have a certain number of programs that make these things  
3           happen -- facilitate entry in an adjustment program  
4           called the Peer Advisor Program. Gets the student  
5           started. Retention programs follow, which we call the  
6           Great Style Program. It includes faculty mentoring,  
7           et cetera.

8           The cultural center also fosters cultural  
9           programs to create a background of safety and the sense  
10          of identity and difference where there at the school.

11          And, lastly, the STEM areas to be  
12          emphasized because what many -- many courses, like  
13          economics, statistics, calculus, serve as preparation  
14          for students going on to graduate, professional  
15          schools, and competitive workplaces.

16          Let's go to the last five slides, please.

17          If and when you've done this well, what you  
18          will discover is that the graduation rates will  
19          continue to stay high, and students who are in the  
20          cohort of 3.0 to 3.4 also increases.

21          And with that in mind, let's go to the slide  
22          that literally gives you the GPAs. Go to the next one.  
23          Go all the way to the end.

24          There it is. So here, for example, in the  
25          3.4 to 4.0 range, I gave you 10 data points. In 2006,

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1 students graduated in that cohort with 10.4 in the 3.4  
2 to 4.0 range. Today, it is 20.7 in the 3.0 to 3.399  
3 range, 19 -- 2006, it was 27 percent, today it is 61.  
4 Put them all together, in 2006, students graduating in  
5 the 3.0 to 4.0 range were 37.4. Today, as we're  
6 speaking, it is 81.7, more than double that GPA.

7 So key is focus, focus, focus, and keep the  
8 strategic position in line, and all of the programs will  
9 follow.

10 Thank you for the attention.

11 CHAIRMAN CASTRO: Thank you, Dean.

12 Dr. Pendakur?

13 MR. PENDAKUR: Commissioners, I want to  
14 start by saying thank you for the opportunity to testify  
15 before you today.

16 My name is Vijay Pendakur, and I'm the  
17 Associate Vice President for Student Affairs at  
18 California State University-Fullerton. My testimony  
19 aims to support and augment earlier testimony of  
20 Chancellor White on the impact of federal financial aid  
21 programs on educational attainment for minority  
22 students, specifically through the lens of Cal  
23 State-Fullerton.

24 Chancellor White often says, and I firmly  
25 believe, that access without the opportunity to succeed

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1 is not true access. A meaningful education means not  
2 only getting your foot in the door, but being empowered  
3 with the support to persist and succeed all the way  
4 through to graduation.

5 Enrolling in college is a critical step for  
6 low income, minority, and first-generation students.  
7 But this is only the first step in a long educational  
8 journey, along which these students face  
9 proportionately greater social, cultural, and economic  
10 barriers than other students.

11 At Cal State-Fullerton, we have an  
12 intimate understanding of the barriers they face, and  
13 we have a proven record of giving them not just access  
14 but a collegiate experience with the possibility of  
15 great success. As one of the largest campuses in the  
16 largest state university system in the nation, Cal  
17 State-Fullerton is a model comprehensive university  
18 for inclusion proudly serving a diverse student body.

19 We are a designated Hispanic-serving  
20 institution and an Asian American and Native  
21 American/Pacific Islander-serving institution.  
22 Sixty-three percent of our 38,000 students identify as  
23 Native American, black, Hispanic, Asian and Pacific  
24 Islander, or multi-ethnic.

25 Forty-three percent of our undergraduates

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1 are Pell Grant recipients, and 57 percent are  
2 first-generation college students. Yet at Cal  
3 State-Fullerton we recognize that access alone is not  
4 enough. We are also a national model for student  
5 success, ranked first in California and tenth in the  
6 nation for graduating Latinos, and fourth in the nation  
7 for graduating underrepresented minority students.

8 Furthermore, our students graduate with  
9 less debt than the average public university graduate  
10 and earn higher salaries over time. These historic  
11 achievements are a foundation for even further growth.  
12 Beginning in 2012, Cal State President Mildred Garcia  
13 initiated a strategic planning process to establish a  
14 metrics driven plan to guide our institution towards  
15 the goal of becoming a national model for how a public  
16 comprehensive university can boost graduation rates  
17 through the thoughtful efforts to keep students  
18 connected to their education and empowered on their way  
19 to a degree.

20 I have detailed many of the relevant  
21 strategic plan activities in my written testimony, but  
22 want to highlight several initiatives that might be of  
23 particular interest to the Commission today. Cal  
24 State-Fullerton is proud to house six TRIO and GEAR UP  
25 programs, which consist of Educational Talent Search,

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1 Upward Bound, two GEAR UP grants, student support  
2 services, and the McNair Scholars Program.

3 Educational Talent Search, Upward Bound,  
4 and our two GEAR UP grants serve nearly 4,500 students  
5 who attend local high schools, with the highest need,  
6 and schools that enroll the majority of their students  
7 in free and reduced lunch programs.

8 These pre-college programs have a profound  
9 impact on the student participants, and our assessment  
10 results speak to these programs' success, with over 90  
11 percent of the participants enrolling in college after  
12 they finish high school.

13 Beyond establishing a strong pipeline for  
14 access, Cal State-Fullerton also offers programs to  
15 bolster student success and educational quality for our  
16 first generation and underrepresented colleges  
17 students. Our student support services program aims  
18 to increase the college retention and graduation rates  
19 of participants through academic advising, tutoring,  
20 financial aid advising, and other program services.

21 Student support services serves 160  
22 undergraduate students at Cal State-Fullerton who come  
23 from first-generation, low income, or disabled  
24 backgrounds, and the participants achieve a six-year  
25 graduation rate that is nearly 16 percent higher than

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1 the institutional average.

2 In addition to our student support  
3 services program, we also run a McNair Scholars Program  
4 committed to empowering higher risk and  
5 underrepresented students with access to graduate  
6 education. Nationally, only 11 percent of doctoral  
7 degree recipients in 2013 were from historically  
8 underrepresented backgrounds, racial backgrounds.

9 Programs like the McNair Scholars work to  
10 expand our nation's population of highly trained  
11 intellectual leaders by creating a pipeline for greater  
12 diversity in future doctoral degree recipients.

13 By showcasing our innovative approach to  
14 fostering greater access in the community while also  
15 creating a campus ecosystem conducive to retention and  
16 graduation, Cal State-Fullerton can be seen as a case  
17 study for what may be possible at the national level.

18 We are already achieving great things with  
19 our past and current initiatives. But without  
20 continued and expanded federal support, these  
21 initiatives are unsustainable.

22 The current limitations in federal funding  
23 disproportionately affect students that rely most  
24 heavily on programs and grants from the federal  
25 government. These limitations are adding additional

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1 obstacles for students on their pathway to  
2 transformative learning and degree completion.

3 We are also keenly aware that these  
4 limitations and obstacles to students can easily be  
5 remedied. We believe that a return to the year-round  
6 Pell Grant program would serve as a powerful driver for  
7 our students to finish their college degrees in a timely  
8 manner.

9 My President, Mildred Garcia, often speaks  
10 about higher education being a private good and a public  
11 good. Having just watched -- having just finished  
12 spring commencement at Cal State-Fullerton, I watched  
13 60,000 family members and friends celebrate the  
14 achievement of a private good -- the attainment of a  
15 college degree.

16 When our newly minted titans advance in the  
17 workforce, raise productive families, and contribute  
18 to uplifting their communities, they are achieving the  
19 public good that higher education has to offer our  
20 society.

21 It is our moral imperative to protect and  
22 institutionalize the programs that ultimately result  
23 in equitable outcomes, not just equitable enrollment.  
24 This is one of the key civil rights issues of our time.

25 Commissioners, thank you for the

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1 opportunity to testify today, and I welcome any  
2 questions you might have.

3 CHAIRMAN CASTRO: Thank you.

4 Dr. Hamilton?

5 DR. HAMILTON: Good morning. Thank you,  
6 Commissioners, for the opportunity to present before  
7 this important Commission.

8 My assigned task -- I'm Darrick Hamilton,  
9 an Associate Professor of Economics and Urban Policy  
10 at the New School, which is a university in New York.  
11 My assigned task was to examine the possible civil  
12 rights impact that access and completion of higher  
13 education has on minority socio-economic mobility. As  
14 such, my comments today are going to focus on the racial  
15 wealth gap and the role, or lack of role, that higher  
16 education plays in providing economic mobility to  
17 address the racial wealth gap.

18 Why focus on wealth -- wealth is the  
19 paramount indicator of economic well-being. Wealth  
20 provides economic opportunity and security to take  
21 risks and shield against financial loss, and some  
22 wealth provides people with the initial capital to  
23 purchase an appreciating asset, which in turn generally  
24 generates more wealth from one generation to the next.

25 Wealth is also the economic indicator in

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1 which blacks and whites and other subaltern ethnic  
2 groups have persistently been most disparate. In the  
3 economic recovery period following the Great  
4 Recession, the 2011 Census data reveals that the  
5 typical black and Latino family own a little more than  
6 a nickel, six and seven cents, respectively, for every  
7 dollar in wealth held by a median white family. The  
8 typical black family has a little over \$7,000 in wealth,  
9 while the typical white family has close to \$112,000  
10 in wealth.

11 Research and public policy has focused  
12 primarily on higher education as the driver of Upward  
13 Mobility. However, education alone does little to  
14 explain differences in wealth across race. It is more  
15 likely the case that wealth differences across race  
16 explain educational attainment differences.

17 Nonetheless, the conventional wisdom is  
18 that to address racial disparity, blacks need to simply  
19 get over it, stop playing the victim role, stop making  
20 excuses, and take personal responsibility for racial  
21 inequality. It is as if the passage of the civil rights  
22 legislation, conventional explanations for racial  
23 disparity, have evolved from biological to cultural  
24 determinant.

25 The implication of this rhetorical shift

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1 is a public sentiment away from public responsibility  
2 for the conditions of black Americans and other  
3 subaltern ethnic and racial groups. For example,  
4 although affirmative action is designated as a positive  
5 anti-discrimination policy aimed at desegregating the  
6 elite institutions, including elite university  
7 admissions, a common perspective is that affirmative  
8 action amounts to reverse discrimination where  
9 unqualified blacks take the admission slots for  
10 qualified whites.

11 This argument underscores white  
12 entitlement to preferred social position and assumes  
13 that whites generally are qualified while, by default,  
14 blacks generally are not qualified. This ignores the  
15 historical advantage and protective access that whites  
16 continue to hold with the admission preferences for  
17 university legacies and other channels which serve as  
18 examples of hidden forms of affirmative action for  
19 privileged groups.

20 It also ignores the well-documented  
21 evidence from experimental psychologists Claude Steele  
22 and Joshua Aronson involving the phenomena of  
23 stereotype threat, stereotype boost, and stereotype  
24 lift. They collectively demonstrate that outcomes on  
25 high stakes standardized tests like the SAT

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1 underestimate the achievement of college readiness for  
2 test takers from groups socially stigmatized as  
3 cognitively inferior while correspondingly exaggerate  
4 the scores of individuals from groups socially deemed  
5 as cognitively superior.

6           Nonetheless, the conventional wisdom is  
7 that only if black -- if only black youth were more  
8 focused on education, they could get a good job and  
9 pursue a pathway toward economic security. Yet at  
10 every level of education, the black unemployment rate  
11 is about twice as high as the white rate, since this  
12 data reveals that white high school dropouts have lower  
13 unemployment rates than blacks who have completed some  
14 college, or earned an associate=s degree.

15           A recent report by Janelle Jones and John  
16 Schmitt indicates that unemployment rate for black  
17 recent college graduates exceeds 12 percent and is as  
18 high as 10 percent for black recent college graduates  
19 with a STEM major. So a college degree is positively  
20 associated with wealth within race, but it does little  
21 to address the massive racial wealth gap.

22           For families whose head earned a college  
23 degree, the typical black family has about \$23,000 in  
24 wealth, while the typical white family has close to  
25 eight times that amount with about \$180,000 in wealth.

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1 This amounts to a difference of about \$160,000 between  
2 similarly educated households.

3 Furthermore, and perhaps more alarming,  
4 black families whose head graduated from college have  
5 only two-thirds of the wealth of white families whose  
6 heads dropped out of high school.

7 It is noteworthy that a good job is not a  
8 great equalizer as well. White head of households  
9 where the head is unemployed have nearly twice the  
10 amount of wealth for black head of households where the  
11 head is fully -- is employed full-time. And that is  
12 because education is not the anecdote for the enormous  
13 racial gaps in wealth and unemployment.

14 None of this is intended to diminish the  
15 intrinsic value of education. There is clear  
16 intrinsic value to education, along with a public  
17 responsibility to expose everyone to a high quality  
18 education. What is concerning is the overemphasis on  
19 education as the panacea to address socially  
20 established structural barriers and racial inclusion.

21 The racial wealth gap cannot be explained  
22 by higher education. It is explained by inheritance,  
23 bequest, and in vivo transfers which really account for  
24 more of the racial wealth gap than behavioral,  
25 demographic, or socio-economic indicators.

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1           These intra-family transfers provide  
2 young adults capital to purchase a wealth generating  
3 asset like a home, like a new business, or a debt-free  
4 college education that will appreciate over their  
5 lifetime. Access to this non-merit-based seed capital  
6 is not based on some action or inaction on the part of  
7 the individual but, rather, the familial position in  
8 which they are born.

9           Insofar as we are truly interested in  
10 living up to the American promise of a civil right to  
11 economic opportunity and upward mobility for all, we  
12 need to acknowledge and address the role of  
13 intergenerational resource transfers and recognize the  
14 limitations while also recognizing the value of  
15 education.

16           One such route would be the right to upward  
17 mobility and economic transformation would be child  
18 trust accounts which I am happy to talk about more in  
19 the Q&A, but I think my time is up.

20           CHAIRMAN CASTRO:       Thank you, Dr.  
21 Hamilton.

22           Commissioner Achtenberg, do you want to  
23 open up with the questions?

24           COMMISSIONER ACHTENBERG:   That was a very  
25 sobering analysis, and to put into perspective the fact

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1 that nothing is a panacea. But I also appreciate your  
2 recognition that this is a significant issue and one  
3 that does address at least partially the aspiration for  
4 upward mobility and improvement in one's  
5 socio-economic status within generations and beyond.

6 I would like to ask Chancellor White to  
7 comment on the strategies that have been utilized in  
8 the California State University to address the  
9 challenges with respect to persistence and degree  
10 attainment. And, if you would, talk about the way  
11 those strategies may have differed -- may differ from  
12 the strategies discussed by Dr. Miller and Dr. Apprey,  
13 given the differences between the comprehensive  
14 university and the flagship university as well as any  
15 other important differences to take into account.

16 DR. WHITE: Well, thank you, Trustee -- or  
17 Commission Achtenberg. For the next three and a half  
18 hours, I'll be happy to answer your questions.

19 (Laughter.)

20 I think to step above the specific program,  
21 what really I think is at stake here for students who  
22 come from the disparate sectors and fabric of society  
23 is how do we make them be prepared, feel welcomed and  
24 challenged and supported all at the same time.

25 And so the various programs, such as the

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1 Summer Bridge Program or Early Start Program, let's  
2 take the San Bernardino campus in inland Southern  
3 California. Has a disproportionately high number of  
4 Pell-eligible students. There's a lot of poor kids.

5 And so this upcoming summer President  
6 Morales has, as a requirement, all incoming students  
7 need to be in residence for two weeks on campus before  
8 the start of the fall term. There's dollars associated  
9 with that, and we are getting that out of my office and  
10 his office to do it.

11 But the idea being during those two weeks  
12 the students who may come feeling that they can succeed  
13 will end up leaving knowing that they will succeed.  
14 They know where the library is, the laboratories are,  
15 they know how to interact with some new students, they  
16 know that the faculty are there to support and engage.

17 So I think before getting into specific  
18 programs, Commissioner Achtenberg, I want to say that  
19 the idea here is sort of a Velcro idea, and students  
20 who come from first generation and don't have a family  
21 member just say, "Hey, how do I go about being  
22 successful organic chemistry?" or "How do I recover  
23 myself when I stub my toe on my essay on American  
24 History?" We have to provide that level of support at  
25 the same time holding a very high expectation for

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1 achievement.

2           So these programs that take at scale for  
3 us, but individualize those kinds of experiences, in  
4 the weeks and months and years before they get to us  
5 in the university, and then once they're there to also  
6 have early in their first and second year, which is the  
7 place where the greatest attrition occurs, the fact  
8 that they can get into a small learning community by  
9 whatever design, whether it's a peer mentoring group  
10 or a cohort faction, or into a laboratory or a clinic  
11 or a studio where they get that personal attention and  
12 realize that they are both welcomed and challenged.

13           So we often get criticized in California  
14 for having low four- and six-year graduation rates,  
15 calculated on first-time full-time students when you  
16 have a comprehensive facility that -- as we heard  
17 earlier, you know, who our average age is around almost  
18 25 years of age now, and they are -- most of them are  
19 working 30 hours a week or more.

20           They, in order to manage life, cannot take  
21 a full load all the way through. We could raise our  
22 graduation rates by excluding those students from  
23 enrollment, but I think we have taken the position at  
24 the CSU that we should be prideful and crow about who  
25 we graduate, not who we exclude.

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1           And so we are working hard on getting more  
2 students to degrees sooner by these cohort  
3 individualized programs recognizing that they are not  
4 a monolith, as you mentioned earlier, across any race  
5 or ethnicity, but rather to individualize the programs  
6 that help support them have success and achieve and move  
7 to a degree sooner. And that may differentiate from  
8 the flagships who have a different admission standard.

9           And coming together as Americans, all of  
10 those pathways, I think that's the other point I'd like  
11 to make is, you know, America is not a monolith. And  
12 so multiple portals of access, multiple ways to be  
13 successful, that's the way the American dream in this  
14 multicultural world of ours will succeed going forward,  
15 it seems to me.

16           COMMISSIONER ACHTENBERG: Could I ask --  
17 yes.

18           MR. PENDAKUR: I was just going to tag on  
19 to the back end of Chancellor White's comments with some  
20 specific remarks from Cal State-Fullerton's vantage  
21 point. I recently made -- I am a new addition to Cal  
22 State-Fullerton, and I -- my past experiences for a  
23 number of years have been working on issues of student  
24 retention, persistence, and timely graduation in  
25 selective institutions or flagship state institutions.

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1           And so I thought, okay, I'm coming to Cal  
2 State-Fullerton. I've done my research. I've got a  
3 good idea of what is going on here, and I am entering  
4 an environment that is 98 percent commuter, 50 percent  
5 Pell, the majority minority, HSI, ANAPISI, a lot of the  
6 methodologies that have been normative at flagship  
7 state institutions and selective private institutions  
8 are limited in their scalability. All right?

9           And so the emphasis at Cal State-Fullerton  
10 has really been on persistence and timely graduation  
11 strategies that are imminently scalable. And so one  
12 of the, you know, sort of more granular points I wanted  
13 to add to the conversation is the importance of things  
14 like -- of technology.

15           We don't have the funds to hire the number  
16 of academic advisors to meet NACADA standards, right?  
17 We are not going to get to that 250 to one ratio on  
18 academic advisors to students to do truly  
19 transformative intrusive advising every step of the  
20 way.

21           But what we can do is onboard technologies  
22 that allow the academic advising staff that we do have  
23 to use a much more sophisticated, predictive analytics  
24 platform to make sure that the advising time they spend  
25 with students is spent on the students who need the help

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1 the most and on the students who are most likely to  
2 benefit from one to two points of academic advising  
3 engagement across their first two years at the  
4 institution.

5 So really leveraging I think what in the  
6 private sector would be called "big data," right? To  
7 benefit core practices like academic advising.  
8 Alternately, putting technology in the students'  
9 hands, allowing them to use a mobile platform to bring  
10 a sense of coherence to their degree pathway.

11 One of the things we know on the  
12 persistence side is that whenever students see a  
13 diffused, murky sea of you've got nine million options  
14 on your way to graduation, it actually can result in  
15 some level of analysis/paralysis, right, and the  
16 inability to move forward.

17 An hour ago we were talking about community  
18 college swirl, right, and the inability to really  
19 leverage that associate's degree effectively. Well,  
20 we are able to put technology in students' hands now,  
21 and soon we will be better at it, that allow them to  
22 really see their degree pathway mapped out for them from  
23 their first year forward, right?

24 So that they can say, you know, I'm  
25 thinking about switching from this major to that major,

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1 which is very common, right, what will the implications  
2 be on all the credits I brought into the system? And  
3 how will that reorganize itself so that my time to  
4 degree doesn't change? What do I need to do as a result  
5 of this shift in career discernment and the need for  
6 a new major?

7 And so that they don't have to be able to  
8 sit down with an advisor for an hour to map that out.  
9 We have been able to access technology that will remap  
10 it for them. And so I think the combination of some  
11 of these really scalable enterprise-wide solutions we  
12 are looking at are important in the thinner budgets and  
13 in the very high-risk ecosystem, that is  
14 access-focused, comprehensive, like Cal State's  
15 embodies.

16 COMMISSIONER ACHTENBERG: And I would  
17 imagine, Dean Apprey, that those principles, although  
18 slightly different, have some resonance to the  
19 presentation that you made.

20 DEAN APPREY: I do think that sometimes we  
21 make the mistake of scaling across a campus too soon.  
22 We find a successful program and we are too quick to  
23 try and save money, and, therefore, try and get  
24 everybody into that system.

25 I'll put my business school hat on and say

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1 short bursts scaling across is the way to go. You don't  
2 say, "Oh, this program has a wonderful peer advisor  
3 program. Let's do it for everybody." You've got to  
4 systematically think your way through it.

5 There are very specific things that we have  
6 done that I think makes students successful, and I would  
7 do this whether I'm a small university or a large  
8 university. There are specific advising and mentoring  
9 skill sets to impart.

10 Students don't typically -- students from  
11 underrepresented and underserved groups don't  
12 typically do well in STEM areas or math intensive areas,  
13 unless special efforts are put into those. So the very  
14 specific counseling strategies, like making sure they  
15 have course sequences in the right place, making sure  
16 no one takes economics before they have done calculus  
17 and statistics because you've got to get them oriented  
18 to the idea that quantity and change comes before  
19 quantity and chance, quantity and chance comes before  
20 quantity and prediction.

21 If you have these kinds of specific  
22 strategies in place, they can do economics, they can  
23 do genetics, they can do engineering, they can do  
24 experimental psychology. Right.

25 COMMISSIONER ACHTENBERG: Thank you.

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1 DEAN APPREY: Thank you.

2 COMMISSIONER ACHTENBERG: Could I ask one  
3 more question, Mr. Chairman?

4 CHAIRMAN CASTRO: Sure.

5 COMMISSIONER ACHTENBERG: Both for Dr.  
6 Hogan and Chancellor White, could you talk about the  
7 number of students who come to your campuses from the  
8 community college and so -- at least my recollection  
9 is almost two-thirds of the students who are graduated  
10 by the California State University came to the  
11 university as transfers from the community college.

12 And yet Commissioner Yaki -- the answer to  
13 Commissioner Yaki's question about how predictive of  
14 success is actually going to the community college in  
15 the first place, those two -- what is the relationship  
16 between those two seemingly contradictory statistics?  
17 Chancellor White and Dr. Hogan.

18 DR. WHITE: Well, briefly, we admit about  
19 110,000 students every fall, of which about 50 percent  
20 come from the community colleges, so about 52-, 53,000  
21 students, and the balance are either restarting or  
22 coming out of high school.

23 And, you're right, the community college  
24 transfers for us tend to be more successful and result  
25 in being about 60 percent or so in any given year --

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1 it varies -- two or three percent of our overall  
2 graduates.

3 A couple of things have come to play.  
4 First of all, in various regions, Long Beach being one,  
5 there is an affiliation between the K through 12 system,  
6 the community colleges, and the Cal State campus in Long  
7 Beach, to where there is -- the faculty and the  
8 administrators and the -- you know that if a student  
9 does the right things in K through 12 and goes to the  
10 community colleges and takes certain courses and  
11 performs at the right level there, they are assured  
12 admission into Long Beach State, and they can get  
13 through in two more years or three more years.

14 That partnership is developing in many  
15 different areas. Fullerton has one come up in Northern  
16 San Jose, San Francisco Bay area. So that is one thing,  
17 we have sort of regionalized the systems and created  
18 that feeder system in that region.

19 There is also legislation that occurred a  
20 handful of years ago in California creating associate  
21 degrees for transfer, which actually challenged both  
22 the community college faculty and the California State  
23 University faculty, and, to a lesser extent, the  
24 University of California faculty to create model  
25 transfer curricula in which students, if they take a

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1 certain set of courses at a given community college,  
2 it is guaranteed access when they pass those at the  
3 appropriate level, guaranteed access to a California  
4 State University campus.

5 And that has just started about two or  
6 three years ago with some degree of success. This last  
7 year some 6- or 7,000 of our students came in with an  
8 associate degree for transfer. That means their  
9 entire lower division work is taken care of, and they  
10 can get right into their major and have a much greater  
11 probability of success.

12 The swirl part that happens and the getting  
13 lost part of this happens when they just get thrown out  
14 of high school into a community college without any  
15 direction. And I think the paralysis of too many  
16 choices and the distractions of life is what gets in  
17 the way.

18 And so we actually worry sometimes,  
19 particularly in first-generation low income, that if  
20 they get thrown into a community college without some  
21 sort of a lifeline that we will never see them again,  
22 and they will go off and never fulfill their potential.

23 So it is -- I don't think they are  
24 contradictory, but I think it's -- the evidence of where  
25 there is success means that there is some structure and

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1 some expectation to go beyond the community college.

2 COMMISSIONER ACHTENBERG: Thank you.

3 Dr. Hogan, do you want to comment?

4 DR. HOGAN: Sure. Some of my comments  
5 will sound very similar to Chancellor White's, but I'll  
6 give you also some specifics. Fifteen years ago, we  
7 took in three first-time full-time freshmen in the  
8 University System of Maryland for every one transfer.

9 In 15 years, now today, it is a one-to-one  
10 ratio we are taking in. That is a huge shift. Why?  
11 I think it's societal. I think parents and society  
12 have deemed community colleges as a good -- and I'm not  
13 a spokesman for the community colleges, but maybe I'm  
14 just lucky.

15 In Maryland, we have -- there are great  
16 community colleges all around the country. We have 16  
17 phenomenal community colleges. And if you think about  
18 what -- people always say, "Oh, it's so expensive to  
19 get a college degree." There is an affordable way if  
20 you want, and there is no more affordable way than going  
21 to community college, living at home. You might be  
22 living at home for work reasons, for family reasons,  
23 all kinds of reasons, and then transferring and doing  
24 your last two years at a four-year institution.

25 Now, for that to work, as Chancellor White

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1 said, there has got to be some structure to it. We have  
2 a program in Maryland called ACES, and it is a  
3 collaboration between the University System of  
4 Maryland, the community colleges, and K through 12,  
5 where the community colleges send coaches down into the  
6 K through 12 schools, identify students, low income,  
7 first in the family potentially going to college, who  
8 just with some structure that frankly they don't have  
9 at home, or there is not a family history of, you know,  
10 it's not a question of where are you going to go to  
11 college, you know, their question is if we are going  
12 to go to college.

13 And they help them. They get them on a  
14 guide path, a glide path and guide path to college. We  
15 have a Way to Go, Maryland Program that system runs.  
16 We go out into middle schools around the state, and  
17 especially low income middle schools, and have  
18 seminars, invite the students and parents in, and this  
19 is what -- this is the academic track you need to get  
20 on, okay, starting in middle school, so you are college  
21 ready.

22 Oh, and by the way, here is -- start  
23 thinking about scholarship programs and financial aid  
24 programs. And if you can put away a little bit of  
25 money, I mean, \$25 a month, I mean, you know, we have

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1 a college savings program, you know, so all of those  
2 structures are in place, and we have a very, very almost  
3 seamless articulation system between our community  
4 colleges and our four-year institutions. And that is  
5 key also.

6 There is nothing worse than going to a  
7 community college, taking all -- you know, taking 60  
8 credits and having, you know, 40 of them transfer. To  
9 be successful, they -- I mean, they need to be -- you  
10 know, they need to be real courses, they need to be  
11 aligned with the courses for freshman and sophomore  
12 year in a four-year institution, but that they will  
13 transfer. So when that student comes in and in their  
14 junior year, they are truly a junior.

15 COMMISSIONER ACHTENBERG: So there are  
16 programs that work.

17 DR. HOGAN: Yes. We even have -- one last  
18 one, if I may.

19 CHAIRMAN CASTRO: Sure.

20 DR. HOGAN: We found a lot of students who  
21 -- talk about this churning or swirling or sometimes  
22 we call it just credit accumulation with nothing to show  
23 for it, we found a whole group of students who went to  
24 a community college, got, you know, 30 or so credits  
25 there, then transferred to a four-year institution and

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1 got another, say, 40 credits, and then that's it.  
2 Okay? They now have 70 credits; nothing to show.

3 We have a reverse transfer process. We  
4 identify those students. We communicate with the  
5 community college, and that student -- because that  
6 student is likely, with 60 or more credits, if they're  
7 the right courses, is eligible for an associate's  
8 degree.

9 And, you know, so they have some  
10 certificate, some -- also, I'm sorry to go on, we  
11 established by legislation a 2+2 Program that rewards  
12 students for going to community college, getting an AA  
13 degree, and then transferring to one of our four-year  
14 institutions.

15 Okay. If they go to community college,  
16 get their AA degree, and they transfer, they get \$1,000  
17 a semester scholarship. If they're a regular -- all  
18 majors. If they're a STEM major, it's \$2,000 a year.  
19 I mean, there is a financial reward incentive for doing  
20 that.

21 An institution like Coppin State  
22 University, historically black institution right in  
23 Baltimore City, they are -- woefully low six-year  
24 graduation rate. Students who transfer from community  
25 colleges, four times as high graduation rate. So I was

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1 actually quite concerned when I heard statements that  
2 community college transfers don't succeed. We don't  
3 have evidence of that. Ours do succeed.

4 CHAIRMAN CASTRO: I want to acknowledge  
5 that for some time now Commissioner Kladney has been  
6 on the line, and so he just hasn't asked any questions,  
7 but he is listening and participating.

8 COMMISSIONER KLADNEY: Thank you, Mr.  
9 Chairman.

10 CHAIRMAN CASTRO: You're very welcome.

11 I will now turn it over to Commissioner  
12 Kirsanow, followed by the Vice Chair, and then that may  
13 end up taking most of our time. If we have additional  
14 time, Commissioner Narasaki and --

15 COMMISSIONER KIRSANOW: Thank you, Mr.  
16 Chair, and thanks to the panelists. This has been very  
17 informative.

18 At some point in the near future, we are  
19 going to be writing a report that is going to make  
20 recommendations probably with respect to increasing  
21 college access, persistence, and attainment rates for  
22 underperforming minorities. And we have had several  
23 panels that have been phenomenal and they have cited  
24 a number of programs that ostensibly increase all of  
25 those rates.

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1           But when you write a report to Congress and  
2 the President, it comes down to basically one thing:  
3 money. Okay? So I have heard from a number of  
4 panelists that we need substantially more funding. I  
5 also have heard from panelists that some of these  
6 programs have been in effect for 50 years. We have had  
7 a Department of Education that has been in existence  
8 for 36 years. Its budget is \$70 billion a year. It  
9 spends trillions of dollars, and our SAT scores are  
10 flat.

11           We hear that our college attainment rates  
12 have gone from being number one in 1990 to number 11.  
13 We are spending trillions of dollars, and we've got very  
14 little to show for it. Then, I saw another graph today  
15 that shows that the achievement gap between blacks and  
16 whites for the last 23 years has narrowed by two points  
17 -- two points. That means it is going to take 300  
18 points to -- 300 years before it's erased.

19           That, to put it charitably, is just a  
20 modest improvement, and I'm being very charitable.  
21 And I don't mean to be throwing cold water on all of  
22 this, but if we are writing a recommendation to  
23 Congress, if it comes down to money, of the myriad  
24 programs I have heard about here -- and there have been  
25 a number of very interesting ones.

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1 I have heard from -- you know, Dr. Apprey  
2 has got a lot of interesting approaches. Mr. Pendakur  
3 has a lot of -- all of you have. Bang for the buck.  
4 Which ones, in your estimation, are the most effective?

5 DR. WHITE: Well, I would say the ones that  
6 allow our students to engage with faculty on a campus  
7 and not be scurrying off for a part-time job, so they  
8 can actually engage in the learning enterprise, are the  
9 ones that probably bring the most value. So that's the  
10 sort of thing -- the work studies, right? Because you  
11 are working in a laboratory with a faculty member, who  
12 says, "Hey, you've got your organic chemistry exam  
13 coming up tomorrow. Do really well on it." Somebody  
14 cares about these kids.

15 I think the -- so they don't -- to me it's  
16 -- you know, education to me is more than just the ABCs  
17 or their majors. It is learning how to work in group  
18 settings. It is learning how to set goals. It is  
19 learning how to aspire for success but manage defeat.  
20 It is much more than just being able to know a  
21 Sarbanes-Oxley if you're an accounting major, right?

22 And so I think if I were to be saying what  
23 matters the most are the types of support mechanisms,  
24 let those who come from a low income status or a  
25 first-generation status, a naïve status if you will,

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1 of how to -- what college is all about, the opportunity  
2 to be engaged and to stick and to really focus, and not  
3 just be dropping in and dropping out and taking a class.

4 CHAIRMAN CASTRO: Go ahead, Mr. Pendakur.

5 MR. PENDAKUR: Just, you know, I think,  
6 Commissioner Kirsanow, one of the things you said  
7 really struck a chord. Right now, the largest public  
8 coherent effort to try and address a lot of the problems  
9 you're naming is the Access to Success Initiative.  
10 Right?

11 It's a national effort. It is -- over 22  
12 I think state systems are involved, hundreds of  
13 institutions, to try and connect historic commitments  
14 to access to actual issues of college success. And the  
15 learning that I want to share with you from the midterm  
16 report that came out in 2012 is that strategies that  
17 affect overall improvements in persistence in  
18 graduation for students in four-, five-, and six-year  
19 grad rates and higher education, do not necessarily  
20 result in closing the achievement gap.

21 So my mic is out of batteries, but I'm a  
22 loud person. So closing the achievement gap  
23 oftentimes takes different strategies than improving  
24 the overall four-, five-, and six-year grad rates. So  
25 in the Access to Success Initiative, institutions were

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1 able to do a lot of good in the first five or six years  
2 of the initiative in moving the needle on four-, five-,  
3 and six-year grad rates. But when you move the overall  
4 by 10 points, and let's say African American students  
5 were lagging by 15 points, and everybody moves by 10  
6 points, African American students are still lagging by  
7 15 points, right?

8 So I think that there is almost two  
9 conversations to be had there -- how to improve the  
10 overall ecosystem of higher education so that it  
11 supports student persistence and timely graduation,  
12 and then how to embed identity-conscious approaches to  
13 retention, persistence, empowerment for specific group  
14 members that their identity is at the crux of how they  
15 are experiencing higher education, right?

16 The institutions that have been able to  
17 move the needle at all on closing the achievement gap  
18 are doing both and are trying to also work very  
19 specifically with higher risk student communities to  
20 make sure that they are supported, mentored, you know,  
21 engaged with faculty, embedded in high impact  
22 practices, all the good stuff, right? But that has to  
23 be done with great intentionality around issues, if  
24 you're talking about the achievement gap for students  
25 of color, around race.

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1                   And so I think -- I just wanted to make sure  
2                   that that was stated for the record today.

3                   CHAIRMAN CASTRO:   Dr. Hamilton?

4                   DR. HAMILTON:   So I guess I want to add  
5                   some caution, which is I'm hearing some -- I have  
6                   concerns about diversion of resources into community  
7                   colleges at the expense of four-year colleges.  The  
8                   concerns I have is that a fear of taking away choice  
9                   and creating apartheid-like systems that lead to one  
10                  strategy towards education success for one group of  
11                  people and another strategy for another group of  
12                  people.

13                  I mean, we could talk about success.  At  
14                  Harvard University, net tuition is the key.  The plan  
15                  that they have, which allows all income qualifying  
16                  students to get debt-free education, is effective.  So  
17                  we can find effective programs, but I want to add that  
18                  cautionary tale, and then I want to end by talking about  
19                  some new findings that we are -- that me and some  
20                  collaborators are coming up with -- looking at, Yan Jun  
21                  Nam, Sandy Derrity, and Price, using the panel study  
22                  of income dynamics.

23                  They have an indicator of giving -- family  
24                  giving to adult children towards various activities,  
25                  and one of which is education.  So clearly that is

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1 supporting their children in higher education.

2           And it is not a surprise that white  
3 families are more likely to engage in that activity than  
4 black families for the resource differences that I  
5 cited earlier. But what we are finding that is perhaps  
6 surprising is that when a black family -- that black  
7 families that do support their children, their resource  
8 positions are dramatically less than those of whites,  
9 which is suggestive that there is not a lack of value  
10 for education within black families.

11           But the other point is that when we look  
12 at outcomes for their children, of the black families  
13 that give in comparison to the white families that give  
14 to their adult children, the adult children have  
15 similar graduation rates from high school, and the  
16 black families are nearly twice as -- I'm sorry, not  
17 twice as likely, nearly 33 percent more likely to get  
18 a graduate school degree, et cetera.

19           And, indeed, 55 percent of the black  
20 children -- of the adult black children who receive help  
21 from their families supporting higher education  
22 actually do get a graduate education degree. Of  
23 course, those results have all types of selection and  
24 reverse causality, but what is noteworthy is that  
25 resources really are key and that there are families

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1 that aren't even within -- when we think about these  
2 deficit models, there are some families that have  
3 resources in these subaltern groups that are able to  
4 come up with great outcomes.

5 I hope that's helpful.

6 CHAIRMAN CASTRO: We do have a little  
7 extra time. If you are done, Commissioner Kirsanow --  
8 I'm sorry. Did you want to say something?

9 DEAN APPREY: I can add a bit more to it.

10 CHAIRMAN CASTRO: Okay.

11 DEAN APPREY: In institutions, resources  
12 are key because when our students have the peace of mind  
13 to focus on their work, we have the strategies to help  
14 them get their work done. Rome wasn't built in a day,  
15 but it was built.

16 The University of Virginia was -- is a  
17 classic example where African Americans and others  
18 could not even enroll at the university, I am told, in  
19 the late '50s. Now we are top of the list. So we have  
20 got what it takes to do it. Protect the resources, and  
21 we'll get the work done.

22 CHAIRMAN CASTRO: Commissioner Kirsanow,  
23 if you're done, I'll have Commissioner Narasaki ask a  
24 question, and then we might have time to get  
25 Commissioner Yaki in as well.

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1                   COMMISSIONER NARASAKI:    Thank you.    I  
2                   just want to first of all applaud UVA for moving to a  
3                   need blind admissions and making a commitment of  
4                   support to make sure that everyone who qualifies is able  
5                   to attend.    I think that's an amazing act of leadership  
6                   among a very important flagship school.    So I just want  
7                   to note that.

8                   So it's not that we're all complaining  
9                   about everything up here.

10                   (Laughter.)

11                   So I have two quick questions.    One is,  
12                   Chancellor White, you noted that you thought, in answer  
13                   to Commissioner Kirsanow's questions that anything  
14                   that helps students be able to actually spend more time  
15                   studying and engaging in schools would be the most  
16                   helpful, and you mentioned work study.

17                   I wanted to also ask about some other  
18                   options.    So one of the things that we have in our  
19                   reading is the notion that, you know, the Pell Grant  
20                   amounts have really sort of fallen behind in terms of  
21                   even covering the full cost of college, much less  
22                   providing any kind of stipend.

23                   So I'm wondering what your position is in  
24                   terms of raising the Pell Grant amounts, and also  
25                   whether a stipend program might be worth exploring.

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1           And then, the second question I had was for  
2 those of you who talked about the TRIO programs, so  
3 there has been some recommendation that the myriad of  
4 different programs be merged into one more general  
5 grant program, and I'm wondering what your thoughts are  
6 about what kinds of reform in those programs might be  
7 helpful.

8           DR. WHITE: So thank you, Commissioner  
9 Narasaki. Yes. I think it is really the combination  
10 of the opportunities that are out there, so Pell, of  
11 course, provides some resources. I am concerned,  
12 particularly for students of color and of low income,  
13 that it has been in recent times excluded from summer  
14 session.

15           I think that is an artificial barrier to  
16 students. If they fall behind by one course, they  
17 could get back on schedule and get through quicker if  
18 they could get some Pell support during the summer. So  
19 I think there is a policy issue there that should be  
20 reconsidered.

21           The stipend model I think is an interesting  
22 one to try on a pilot basis. I actually come from the  
23 belief that we ought to be clear as a nation and as a  
24 state, and in my case as a system on goals, but loose  
25 on the means to get there. And so a campus like

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1 Fullerton can tailor their financial aid around the  
2 types of students that they have, which differ than the  
3 kinds of student we have at Cal Poly San Luis Obispo,  
4 for example, in terms of their backgrounds, and so  
5 forth.

6 So some degree of flexibility I think would  
7 be paramount in how we can -- and then hold campuses  
8 responsible and accountable with data on success of  
9 meeting certain objectives, I think that's important  
10 as well.

11 But it is the combination of these avenues  
12 that -- you know, education for a student is so  
13 personalized and individualized, yet we are doing it,  
14 you know, in our case on a big scale. Virginia is a  
15 big place. I mean, so I think it's -- that's the  
16 challenge in front of us is, how do we manage both the  
17 flexibility, hold people high on accountability, but  
18 have outcomes that matter for America.

19 COMMISSIONER NARASAKI: Thank you.

20 CHAIRMAN CASTRO: Dean Miller?

21 DEAN MILLER: Can I speak on that? I  
22 would just like to echo what Chancellor White is saying  
23 about the two Pell in one year, the summer Pell, because  
24 we saw -- we have a limited amount of money that we can  
25 use to be able to assist students for summer school,

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1 which does allow them, if they are not meeting  
2 satisfactory progress or they need to get ahead or they  
3 want to try to do a double major, or something along  
4 those lines, and especially our low income students,  
5 by having an additional Pell for the summer, it allowed  
6 our institutional aid to go further and to be able to  
7 help other students.

8 As far as a stipend, one of the things, when  
9 we're meeting 100 percent of need, that need includes  
10 not only tuition, fees, room and board, but also  
11 personal expenses, books and supplies, being able to  
12 travel home and be able to get to school.

13 And, you know, the bigger issue for us is  
14 when we're meeting, you know, a student that has a zero  
15 EFC, and we are able to refund some financial aid to  
16 be able to assist with those items, then it becomes a  
17 financial literacy issue.

18 You know, how do you take that refund, how  
19 do you budget it for the entire semester, and to make  
20 that money meet your need in the form of like a stipend.

21 COMMISSIONER NARASAKI: Yes. I mean, I'm  
22 thinking about stipends -- many of the panelists come  
23 from schools where the students are actually having to  
24 work full-time. So it's not just the cost of school,  
25 it's actually also you have less time for school because

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1 you're working 40, 50 hours a week.

2 CHAIRMAN CASTRO: Okay. I'm going to  
3 give the Vice Chair one question and then Commissioner  
4 Yaki one question. That will be the last one.

5 VICE CHAIR TIMMONS-GOODSON: Well, thank  
6 you very much, Mr. Chair.

7 We heard on yesterday from other panelists  
8 that the federal government was investing in higher  
9 education at the tune of about two and a half times more  
10 money than the states were investing. And it was  
11 advocated by at least one of them that we do something,  
12 that we change that funding model, perhaps a model that  
13 would have the federal government match to some degree  
14 the monies that the states were putting in, that they  
15 needed to have some skin in the game.

16 I was wondering if representatives from a  
17 couple of the systems here will care to comment on  
18 whether that has any appeal to you at all.

19 DEAN APPREY: That would be a disaster for  
20 the state of Virginia. It would a boon to North  
21 Carolina, but it would be a disaster for the state of  
22 Virginia, because we don't put enough money in our  
23 system.

24 VICE CHAIR TIMMONS-GOODSON: And we're  
25 putting in less and less as times goes by.

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1 DEAN APPREY: Absolutely.

2 DR. WHITE: You know, I think, I mean,  
3 there is some merit to the concept, and in fact, you  
4 know, we are in our final budget negotiations. If you  
5 would like to call Governor Brown for me, I would be  
6 happy to give you his cell phone.

7 (Laughter.)

8 I think, you know, what is sort of  
9 difficult in this nation, and it will happen again  
10 sometime in the not-too-distant future, is the next  
11 recession. And in the state of California it took \$1  
12 billion, one-third of the support out of the California  
13 state universities over the course of about two years.

14 If there was some -- everybody was  
15 suffering across the country, so it wasn't just a  
16 California-specific thing. But a more refined  
17 partnership between the federal and the state  
18 governments on shared responsibility. One of the  
19 points I tried to make is we are all in this together.  
20 To help buffer those sort of moments may be something  
21 that is actually worth doing some deeper thinking on.

22 DR. HOGAN: We are a state public  
23 university system. I mean, just by that definition  
24 that means the state should be investing in its public  
25 higher education system. Knock on wood, I have been

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1 fortunate to be in Maryland. That has not cut higher  
2 education funding as dramatically as it has in many  
3 states.

4 But if I was in that situation, I would  
5 submit that the federal money should have some type of  
6 maintenance of effort provision to it. Why should a  
7 state abandon its responsibility and effort to funding  
8 its public higher education system and let the federal  
9 government pick up the tab, or the student, or the  
10 parent, you know, whoever is paying. It is a --  
11 absolutely, it is a shared responsibility.

12 CHAIRMAN CASTRO: Thank you.

13 Did you want to say something, Dr.  
14 Hamilton?

15 DR. HAMILTON: Really quick. History has  
16 shown us in multiple dimensions that that shared  
17 responsibility is disparate based on race, and that  
18 race plays a huge role. So if we are interested in  
19 civil rights, it is ethically right that states should  
20 contribute, too.

21 But we have seen -- I guess I'm rambling  
22 on, but I can cite many examples -- the G.I. bill,  
23 administration of the G.I. bill, as one that led to  
24 disparate outcomes in higher education by having it  
25 administered at the state level as opposed -- even

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1       though the funding came from the federal level. We can  
2       go on and on and on.

3               If we were to come up with a program like  
4       this, we can look at examples of, I imagine,  
5       Mississippi, which has a high concentration of blacks,  
6       might not contribute as much as a state like California,  
7       which has been a leader. So I would have grave concerns  
8       if we went to a pattern if the goal is to increase access  
9       for all groups where we had more agency within states  
10      of how those funds were administered.

11             CHAIRMAN CASTRO: Okay. Thank you.

12             Commissioner Yaki, a quick questions,  
13      please.

14             COMMISSIONER YAKI: I don't know if it's  
15      going to be too quick, but I'll try and do the best I  
16      can. You know, I'm glad to hear what was said about  
17      the Cal State system with regard to the community  
18      college program. I would just also add that Kearney  
19      has a similar type of structured program that tries to  
20      take people and get them into the kind of curriculum  
21      to get them into a four-year college.

22             And it is apparently showing dramatic  
23      success -- it is called the ASAP Program -- to get people  
24      out of the swirl. It's interesting because what wasn't  
25      said, but in a separate conversation I had with Dr.

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1 Pendakur, he was talking about the fact that you  
2 basically run out of Pell Grant eligibility if you're  
3 caught in that swirl.

4 And then you may go to the four-year  
5 institution, and then after your second semester, you  
6 know, you're off. And then you're in deep trouble.

7 Access has always been a particular  
8 concern of mine. The impact of -- disproportionate  
9 impact of standardized tests on minorities is something  
10 that has always concerned me. And we don't need to get  
11 too much into that right now, other than to -- I want  
12 to ask this one question because I have you all here.

13 Have you seen -- and I'm not an advocate  
14 for or against, but have you seen any impact in terms  
15 of minority application rate or minority scores in  
16 applications with regard to the consequence of Common  
17 Core coming into the curriculum at the high school  
18 level? Has anyone seen anything there? Is it too  
19 early to tell, I suppose?

20 But it's something I would hope that you  
21 could watch for and look for because that's obviously  
22 going to -- some critics for minority communities were  
23 concerned that Common Core's testing or curriculum may  
24 actually decrease the number of minority graduates from  
25 high school.

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1 I see the Chancellor leaning forward.

2 DR. WHITE: I think, you know, we're  
3 actually, unlike some places in the country, are  
4 leaning forward pretty strongly on Common Core. And  
5 as we go through the transition, recognize there is  
6 going to be some white water in the numbers that emerge,  
7 and so our folks have been doing what are sort of the  
8 surrogates for the standardized testing, and the answer  
9 -- things like PSAT, and so forth, so we are actually  
10 doing multivariate analysis and trying to use other  
11 measured variables to make sure we don't  
12 inappropriately exclude anybody, and the consequence  
13 of that inappropriately excludes somebody of color or  
14 of poverty.

15 So I think we have actually followed this  
16 deeply, and we recognize it will smooth out on the back  
17 end. We just have to kind of get through it first.

18 CHAIR CASTRO: Anyone else on the panel  
19 want to answer? If not, I will remind you all that we  
20 have -- the record is open for an additional 30 days.  
21 If any of you would like to supplement any of your  
22 presentations or elaborate on any of the questions that  
23 were asked of you, we'd encourage you provide us with  
24 that information over the next 30 days.

25 Thank you, everyone, and we are going to

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1 take a break now until 1:00. We will convene here  
2 starting at 1:00 for the afternoon panels.

3 Thank you.

4 (Whereupon, the above-entitled matter  
5 recessed for lunch at 12:03 p.m. and resumed at 1:01  
6 p.m.)

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A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

24

(1:01 p.m.)

25

**PANEL III**

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1 CHAIR CASTRO: Back on the record this  
2 afternoon for our third panel, and I don't know how many  
3 of the panelists were here earlier, but I'll just sort  
4 of repeat for the sake of housekeeping how we're going  
5 to keep track of your presentations.

6 Each of you will have an opportunity to  
7 speak for seven minutes. That will be timed by the  
8 series of lights. Green means you go, yellow you'll  
9 have two minutes to wrap up --

10 COMMISSIONER KLADNEY: I'm here.

11 CHAIR CASTRO: Thank you, Commissioner  
12 Kladney.

13 And then red, I ask you to stop so that we  
14 can then get to the next speaker and then have an  
15 opportunity for the Commissioners to ask you questions.

16 Our first -- I want to introduce our  
17 panelists and then I will swear you all in.

18 Our first panelist is Mr. Neal McCluskey  
19 from the CATO Institute for Economic Freedom.

20 Our second panelist is Mr. Ron Haskins with  
21 the Brookings Institute.

22 Our third panelist is Michele Siqueiros  
23 from The Campaign for College Opportunity.

24 And our fourth and final panelist is Ms.  
25 Ann Neal from the American Council of Trustees and

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1 Alumni.

2 I will ask each of you to raise your right  
3 hand and swear or affirm that the information that  
4 you're about to provide us is true and accurate to the  
5 best of your knowledge and belief, is that correct?

6 (Chorus of affirmative responses.)

7 CHAIR CASTRO: Okay, thank you.

8 Mr. McCluskey?

9 MR. McCLUSKEY: Thank you for inviting me  
10 to speak to you. My name is Neal McCluskey --

11 PARTICIPANT: Sir, your microphone.

12 MR. McCLUSKEY: Oh, can I start over?

13 CHAIR CASTRO: Yes, go ahead.

14 MR. McCLUSKEY: Does that count against  
15 me?

16 Thank you for inviting me to speak with  
17 you. I am the Director of the Center for Educational  
18 Freedom at the CATO Institute, a nonprofit non-partisan  
19 public policy research organization.

20 My comments are my own and do not represent  
21 any position of the institute.

22 I want to start by saying that while I will  
23 be speaking about ethnic and racial groups, all people  
24 are individuals. No sum of any person is his or her  
25 race or ethnicity.

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1 I should also note that I have not  
2 previously done research dealing with racial and ethnic  
3 achievement gaps but am familiar with the gaps from  
4 studying American education as a whole as well as  
5 researching the effects of contributors to student  
6 performance.

7 My areas of focus have been school choice,  
8 federal policy, higher education costs, and social  
9 capital.

10 Importantly, low-income African  
11 Americans, at least as of a 2002 National Bureau of  
12 Economic Research paper, do not necessarily attend  
13 college at lower rates than low-income white students,  
14 at least among students who have graduated high school.  
15 The report did not look at Hispanics.

16 From 1969 to 1997, low-SES black students  
17 were generally more likely to enroll in college than  
18 whites, though the rates fluctuated and by the end white  
19 enrollment exceeded black. That said, it is unclear  
20 what the trend has been since the late 1990s.

21 While enrollment for low-income African  
22 Americans may have been roughly consistent with whites,  
23 the schools in which blacks have enrolled have tended  
24 to be of lower quality.

25 Perhaps due in part to the quality of

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1 college's access, there may be disparities in  
2 completion. Low- and moderate-income blacks and  
3 Hispanics appear to complete post-secondary education  
4 at lower rates than white students. According to work  
5 by Camburn, low-SES white students are more than twice  
6 as likely as black or Hispanic students to finish  
7 college. Camburn's work was published in 1990 and  
8 based on only six metropolitan areas.

9 Of course, success in college is connected  
10 to academic preparation and success before college.  
11 The National Assessment of Educational Progress exam  
12 shows shrinking but not disappearing black, white and  
13 Hispanic, non-Hispanic white gaps when scores are  
14 broken down by poverty.

15 There are many factors underlying  
16 achievement that need to be addressed, especially for  
17 low-SES African Americans whose scores lag those of  
18 low-SES students of other groups.

19 One may be inadequate resources.  
20 However, research suggests that this is unlikely to be  
21 a major problem due to weak correlations between  
22 spending and outcomes, and spending and resources for  
23 black and white students have not been largely  
24 equalized. RAND also reports that out-of-school  
25 factors may be four to eight times as important as

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1 in-school factors for test scores.

2 Perhaps there are cultural issues at play,  
3 meaning generally speaking, held -- generally held  
4 group values and orientations.

5 One area where there seems to be no  
6 meaningful distinction among groups is that all believe  
7 education is very important, but this does not  
8 translate into equal enrollment or completion.

9 Part of this likely stems from  
10 orientations that are correlated with lower academic  
11 outcomes. For starters, African American families are  
12 more likely to be single-parent and large than are white  
13 families, making it more difficult for children to get  
14 regular high quality interactions with adults  
15 conducive to maximum emotional and cognitive  
16 development. This disparity likely stems from the  
17 family-destroying practices of slavery and Jim Crow.

18 A potential proclivity stemming from  
19 generations of disenfranchisement is assent among  
20 African Americans that education is very important, but  
21 societal structures make overall success very  
22 difficult, potentially dampening motivation.

23 Possibly supporting this are large African  
24 American NAEP gains from the late 1970s to 1990 that  
25 may at least partially be attributable to an improving

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1 civil rights environment.

2 Feelings of powerlessness remain,  
3 however, and given high-profile cases of possibly  
4 egregious police misconduct -- can you hear me now?

5 CHAIR CASTRO: Yes.

6 MR. McCLUSKEY: Let's see --

7 CHAIR CASTRO: Egregious police  
8 misconduct.

9 MR. McCLUSKEY: Oh, very good, you've read  
10 this before.

11 CHAIR CASTRO: I was listening closely.

12 MR. McCLUSKEY: And given high-profile  
13 cases of possibly egregious police misconduct as well  
14 as stubborn economic gaps between blacks and whites,  
15 they could grow.

16 There's also significant difference in the  
17 way parents interact with their children. In  
18 particular, there are large differences based on SES  
19 in both the volume of words to which very young children  
20 are exposed and the quality of verbal interactions. It  
21 also seems a class of parents interact with their  
22 children in ways that enforce the expectations of their  
23 class rather than pushing all kids toward in-demand  
24 analytical thought.

25 That said, everything from learning

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1 experiences outside of a child's home to how a child  
2 is disciplined appear to affect outcomes. The  
3 presence of quote unquote "middle class parenting  
4 practices" seems to have significant effect.

5 There also appears to be some racial  
6 correlation, with African American parents somewhat  
7 less likely to use preferable parenting behaviors, even  
8 after controlling for SES.

9 How can we mitigate these problems? For  
10 one thing, it appears that the overall culture of  
11 schools with more white students is conducive to better  
12 outcomes for African Americans, though this is likely  
13 tied much more to SES than to race.

14 Numerous studies have found positive peer  
15 effects, likely because a college-going ethos is more  
16 likely to be present in such schools as well as social  
17 networks that more easily enable people to get  
18 information about colleges.

19 School choice can help. Magnet schools,  
20 charter schools, such as Kipp, and many private schools  
21 can enable low-income children to move from public  
22 schools assigned based on home addresses, which are  
23 often dictated by segregated housing, and access  
24 schools focused on college.

25 Random assignment studies have found

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1 private school choice programs have significant  
2 positive effects, especially for African Americans,  
3 including increases in college enrollment persistence.

4 What are the effects of aid programs to  
5 help afford college? The short run, aid makes college  
6 more affordable than if all students had to pay public  
7 prices.

8 However, logic and empirical evidence  
9 indicate that colleges raise their price in large part  
10 because aid enables them to, while skyrocketing prices  
11 are not primarily a problem of decreased state  
12 appropriations. Those would have little effect on  
13 private institutions. When room and board is  
14 included, public institutions have rate prices far in  
15 excess of state revenue loss per student.

16 This has likely hit low-income students  
17 the hardest. Merit aid also appears stacked against  
18 minorities. Merit-based institutional grants go  
19 disproportionately to white students, a disparity that  
20 applies even among top academic performers. This is  
21 particularly problematic if minority students are most  
22 hurt by high sticker prices which merit aid enables to  
23 rise.

24 What is the track record of federal  
25 programs intended to smooth students' paths to college?

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1 Federal programs such as GEAR UP, Upward Bound, and  
2 Talent Search programs found only very limited benefits  
3 and used less-than-ideal research methods. These are  
4 reflective of other federal programs. There is no  
5 compelling evidence that they meaningfully ameliorated  
6 college preparation or access problems.

7 As noted, there is significant evidence  
8 that federal student aid programs have exacerbated  
9 price inflation.

10 The other under the age spectrum, while it  
11 seems that deficits low-income children have before  
12 kindergarten could be ameliorated by programs such as  
13 Head Start, the research on large-scale government  
14 pre-K programs does not support this, typically either  
15 finding the benefits fade out or not following  
16 recipients to see if benefits last.

17 There are no easy answers to college access  
18 problems, especially since many government programs  
19 appear ineffectual. What seems to work to some extent,  
20 school choice, likely does so by decreasing top-down  
21 control and empowering low-income and minority  
22 students to seek out what they need.

23 This also suggests that we need civil  
24 society: church groups, Kiwanis Clubs, et cetera, to  
25 do such things, to reach out to low-income parents and

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1 provide services such as conversation, intensive  
2 daycare, or college counseling.

3 The message needs to be loud and clear that  
4 success is possible for all. Thank you.

5 CHAIR CASTRO: Thank you, Mr. McCluskey.  
6 Mr. Haskins?

7 MR. HASKINS: Good afternoon, Mr.  
8 Chairman and members of the Committee. Thank you so  
9 much for inviting me. It's a great pleasure to be here,  
10 and it's an honor as well.

11 I'd like to open with a few comments about  
12 the test disadvantage in American society, and I want  
13 to show why education plays such a crucial role in  
14 ameliorating this disadvantage, and I am going to focus  
15 on three specific solutions.

16 So first, we start with test performance.  
17 Neal has already gone over that to some extent, but it's  
18 surely extraordinary, these differences in test  
19 performance and word knowledge and so forth begins even  
20 before the third year of life, but they are clearly  
21 evident by age three, and if anything, the schools  
22 increase the gaps during school years, during the K-12  
23 school year, so the schools are not helping to close  
24 that gap at all.

25 A second thing, these -- probably, the

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1 differences in intellectual achievement play a big role  
2 in huge differences in household income so that we have  
3 huge discrepancies in household income. The average  
4 white lives in a household that has a \$58,000 income,  
5 the average Hispanic \$41,000, and the average black  
6 \$34,600. That's a 40 percent less income in household  
7 for black families.

8 We have even more impressive wealth gaps  
9 that are truly astounding. Hispanics and blacks have  
10 about 10 percent of the wealth of whites, and it has  
11 declined substantially because of the recession,  
12 almost all their wealth was in their house, and many  
13 people lost their house.

14 And finally, I want to draw your attention  
15 to something I think is especially important for this  
16 Commission, and that is the ability of parents to pass  
17 their advantages on to their children.

18 So consider the middle of the distribution  
19 of parent income, that middle 20 percent, roughly  
20 \$50,000 to \$80,000.

21 If -- for black parents, their kids almost  
22 -- only 45 percent of them finish in the middle or  
23 higher, whereas 70 percent of white kids finish in the  
24 middle or higher.

25 You can see the same thing throughout the

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1 distribution. There are -- it's a huge problem for  
2 parents to pass their advantage -- minority parents to  
3 pass their advantages on to their children.

4 So let's focus for a minute on the role of  
5 education in fighting this disadvantage, and I want to  
6 begin with the first chart, and it's kind of a complex  
7 chart, and it's worthy of study, I assure you.

8 But look at the two left bar graphs. These  
9 show what happens to people whose parents were in the  
10 bottom quintile, below roughly \$30,000, think of it  
11 that way.

12 The ones on the leftmost bar graph are kids  
13 that did not go to college, and right bar graph of the  
14 two on the left are kids that did go to college.

15 As you can see, from the same bottom of the  
16 distribution, the kids that achieve a college degree,  
17 it changes their whole life course. So look at the  
18 bottom. At the very bottom, 46 percent of the kids from  
19 the bottom, if they don't go to college, will remain  
20 in the bottom. Equality this is not. Equality of  
21 opportunity, this is not.

22 Whereas, if they don't go to college, they  
23 have only a 10 percent chance. If they go to college,  
24 they have only a 10 percent chance of being in the  
25 bottom.

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1 I have been studying -- I have been looking  
2 at studies all my adult life. There are very few  
3 impacts of that magnitude. That is a huge impact.

4 So there is no question a four-year college  
5 would make a big difference.

6 Now, there is some good news on education.  
7 Neal has already mentioned that the National Assessment  
8 of Educational Progress showed some closing of the gap  
9 between whites and blacks and even to some extent, less,  
10 between whites and Hispanics, and, as you can see in  
11 the next chart, there is a huge change in the growth  
12 in minority enrollment in degree-granting  
13 post-secondary institutions, starting in 1976 and  
14 almost continuous progress for all minority groups and  
15 for the minority groups combined, so that is good news.

16 But there is bad news too. Next chart.

17 This chart shows, from the very top, which  
18 is the bottom 20 percent, all the way up to the top 20  
19 percent, and here we see two things. First, we see that  
20 stair-step fashion that parents are able to pass their  
21 advantage on to their children, so kids who are from  
22 wealthier families in the top, they're more likely to  
23 enroll, they're more likely to graduate.

24 But look at the -- look at the rates, the  
25 bottom chart, it shows the ones that actually graduate.

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1 Here, you can see that the graduation rates, as I  
2 mentioned, are a huge problem. So kids enroll, but  
3 they don't graduate, and that is a very, very big  
4 problem that the Commission should focus on. Many of  
5 those kids wind up with debt, and they don't get the  
6 degree that allows them to earn more money to repay  
7 their debt, so this is a really big problem that I think  
8 you should look at carefully.

9 So there is some good news, but it's  
10 mitigated some.

11 Now, the next chart I want to show you, this  
12 is really intriguing. I think it's something you  
13 should pay attention to, and that -- what this shows  
14 is the college enrollment by parents' income quartile  
15 for kids who finish in various places in their own  
16 achievement, and here you can see that both the parents'  
17 income and the kids' achievement test score makes a  
18 difference, and it's progressive across the -- across  
19 the income groups, so the top group, even the kids in  
20 the bottom third by test scores do better than kids in  
21 the -- the next quartile down and so forth.

22 So both parents' income and achievement,  
23 and here is another thing I'd like to draw your  
24 attention to: look at all the space, especially in the  
25 middle and the top third, between 100 percent and the

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1 level where they are. Those are kids that that's the  
2 -- that's the right route to try to get those kids more  
3 likely to go to college. They appear to be prepared,  
4 and preparation is a big deal.

5 So next chart.

6 Student aid I think I agree with Neal,  
7 apparently, that student aid is not the key here. I  
8 think student -- we have a lot of student aid. It has  
9 increased very dramatically over the last decade and  
10 climbed a little bit recently. But I don't think  
11 student aid is the huge problem.

12 There are four huge barriers: academic  
13 preparation, which I think is the single most important  
14 barrier; second, selecting a college and the  
15 application process and the ridiculous FAFSA that I am  
16 sure you have heard about, that needs to be changed;  
17 and financing plays a minor part of the problem, but  
18 it's so important; and then those huge dropout rates,  
19 we need to -- we need to address.

20 So let me make three points about things  
21 that I hope you will look into.

22 The first one is the college prep programs  
23 that Neal mentioned. There are a bunch of them.  
24 Together, they spend about a billion dollars.

25 I don't think they are very successful.

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1 They have had good evaluations, and they don't look good  
2 except for one, which is math/science, upward bound  
3 math/science, so I would look at that program, figure  
4 out what to do better, and I make a series of  
5 recommendations about how we could use that billion  
6 dollars better.

7 Second, I have already mentioned the  
8 FAFSA. It is ridiculous that we have such a complex  
9 form for all college age. Every kid has to fill it out,  
10 and it is very difficult for them, and their parents  
11 have a lot of trouble helping them fill it out because  
12 many of them have not been to college, so that thing  
13 needs to be simplified. The administration promised  
14 to do it, so did the Bush administration, neither one  
15 did it.

16 And finally, last recommendation, I would  
17 recommend major reforms in the way states finance  
18 colleges. They should make some of the money that they  
19 give to colleges contingent on the college's graduation  
20 rate, especially for low-income kids. If we did that,  
21 I guarantee you that colleges pay a lot more attention  
22 to this problem if half their money or more were  
23 dependent on success and helping low-income kids.

24 Thank you.

25 CHAIR CASTRO: Thank you, Mr. Haskins.

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1 Ms. Siqueiros?

2 MS. SIQUEIROS: Good afternoon  
3 Commissioners, thanks for having me. My name is  
4 Michele Siqueiros.

5 I serve as President of the Campaign for  
6 College Opportunity. I also previously served as a  
7 Commissioner on the California Student Aid Commission,  
8 which awards over \$1.7 billion, \$1.8 billion in Cal  
9 Grant aid to Californians who need it in order to go  
10 to college.

11 You have my written testimony. It is  
12 fairly long, so I am going to try and just highlight  
13 a few key points.

14 I was asked to speak about some of the  
15 research that we have conducted on differences by race  
16 in California, so I am going to do that, and I actually  
17 have a couple of handouts from our just-released  
18 reports on the state of higher education in California  
19 for Latinos and for blacks in our state that I hope you  
20 will have a chance to reference and review.

21 You know, first of all, I certainly  
22 wouldn't be before you today if it weren't for the fact  
23 that there had been federal investment and state  
24 investment in my college opportunity. I am the first  
25 in my family to go to college. I was only able to do

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1 so because I got a federally subsidized loan. I  
2 received a Cal Grant. I got work study. All of those  
3 things made my opportunity to go to college and earn  
4 a degree possible.

5 And that is exactly why I work for the  
6 Campaign for College Opportunity. We were founded by  
7 an unlikely alliance of business leaders, civil rights  
8 leaders, and education leaders that believed strongly  
9 that we needed an outside, independent voice to  
10 advocate for higher education in our state, but also  
11 for some of the type of reforms that Ron has pointed  
12 out in terms of ensuring that we actually not just  
13 enroll students in college, but that we get them to  
14 graduation.

15 We have played a critical role in advancing  
16 policy and using our research to help advance that  
17 policy, focused really on the economy of California,  
18 but also what is good for students. Sometimes, that  
19 means that we are on the same side of institutions that  
20 serve our students. Sometimes, it means that we're  
21 pressuring them to do a much better job than they are  
22 at serving our students.

23 Your review of this topic is really  
24 essential. You know, I would argue that this certainly  
25 is a civil rights issue of today. Whether or not

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1 students have an opportunity to go to college is  
2 critical. For low-income students, it is actually  
3 harder to go to college today than ever before. Only  
4 30 percent of students from low income backgrounds  
5 enroll in college, compared to 80 percent of their  
6 higher-income counterparts.

7 It is more likely for a D or a C high-income  
8 student to go to college and graduate than it is for  
9 an A+ honors student that doesn't have high income, and  
10 that should be shameful in America today.

11 You know, if we're going to retain our  
12 position and try to recapture our position as a leader  
13 in producing four-year degrees, we are certainly going  
14 to have to address issues of race in our country as we  
15 become more and more diverse.

16 Currently, Latinos represent 17 percent of  
17 America's population, blacks are 13 percent, Asians are  
18 5 percent, non-Hispanic whites are 63 percent, but by  
19 2044, the nation will be even more diverse than today.  
20 Demographic projections show that non-Hispanic whites  
21 will no longer be the nation's largest ethnic group,  
22 so making sure that college opportunity and attainment  
23 is equal across our racial and diverse communities is  
24 going to be essential.

25 Obviously, California is in many ways

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1 ahead of the curve in terms of that diversity. We are  
2 already a minority/majority state. One in two kids  
3 that are under 18 are Latino, and we are also to be  
4 commended, I think, for our world-renowned university  
5 system, the University of California, our 23-campus  
6 state university system, I know you heard from  
7 Chancellor White earlier today, and our expansive  
8 community college system, with 112 colleges and a  
9 pretty generous financial aid program targeted at  
10 students based on need, not merit, which unfortunately  
11 too many states, I believe, in the nation focus on.

12 You know, our own research as part of this  
13 series of papers that were just handed to you on the  
14 state of higher education in California actually  
15 demonstrates to you, I think, why race analysis still  
16 matters. Latinos in our research, we found are more,  
17 you know, the good news is more and more are graduating  
18 from high school and going to college, as Ron mentioned  
19 before, but unfortunately, they are disproportionately  
20 represented at every sector of higher education.

21 So in spite of our expansive California  
22 higher education system, Latinos are not represented  
23 in -- in relation to their numbers in the population  
24 at any of those institutions, whether it's community  
25 colleges, Cal State, for-profit colleges, independent

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1 colleges, or the University of California, and you can  
2 see in the chart before you just what those statistics  
3 look like.

4           However, when -- when Latino students do  
5 go to college, the majority enroll at a California  
6 community college, 65 percent.

7           For blacks, I won't go into other -- other  
8 findings, you know, for blacks in higher education, I  
9 just wanted to point out a few things.

10           Obviously, we have seen improvements over  
11 time: improved high school graduation rate, more  
12 students are likely to graduate from high school today  
13 in California than they were in 1990. However, there  
14 is still a huge gap in terms of graduation rates when  
15 compared to other ethnic groups.

16           You also see that black students in our  
17 state are slightly over-represented at California  
18 community colleges, similar to Latinos, if they go to  
19 college, they enroll at a community college. They are  
20 over-represented at for-profit colleges,  
21 significantly under-represented at the University of  
22 California and the Cal State system, and in fact, we  
23 found in this research report that there has been a  
24 decline in black enrollment at the Cal State system  
25 since the recession.

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1           Some of the concerns obviously are about  
2 college preparation. Only a third of California  
3 students come out of our high schools with having  
4 completed the A-G course requirements, which you need  
5 in order to even apply to a University of California  
6 or a Cal State system, so right off the bat, 70 percent  
7 of Latino and black students in our state can't even  
8 enroll or apply at a university.

9           So their option is community college,  
10 which highlights why the, you know, improving outcomes  
11 for students at community colleges is so important.  
12 Some of the findings that you have before you show that  
13 completion rates are really dismal, unfortunately far  
14 too low, and this is where most students are going, so  
15 much more needs to be done.

16           If federal funding has a stated goal of  
17 helping colleges, you know, support diverse student  
18 populations, you know, my belief is that funding needs  
19 to be allocated in a way that better supports our  
20 nation's four-year public university system and holds  
21 them accountable for improving outcomes as well.

22           I know that my time is up, so I just wanted  
23 to highlight a few of the recommendations. You know,  
24 we do believe that we have to support enrollment for  
25 students, but completion is key. We should

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1       incentivize, we should measure performance by our  
2       universities for Pell and low-income students, not just  
3       enrolling.

4               We give lots of federal funding for  
5       Hispanic Serving Institutions and historically black  
6       colleges and universities. We should make sure that  
7       that's sufficient funding, but also make sure that we  
8       hold those colleges accountable for their graduation  
9       rates.

10              I agree with our fellow testifiers around  
11       simplifying FAFSA. Thankfully, somebody walked me  
12       through that process when I applied. Otherwise, I  
13       certainly wouldn't be before you today.

14              We should expand income-contingent loans  
15       to make sure college is affordable for students.

16              And with that, I'll -- I'll stop.

17              CHAIR CASTRO: Thank you. Ms. Neal?

18              MS. NEAL: Thank you Mr. Chairman and  
19       members of the Commission.

20              I must tell you that your topic and the  
21       unique opportunity it gives --

22              CHAIR CASTRO: Is your mic on? I am  
23       sorry.

24              MS. NEAL: and -- do I need to turn  
25       something?

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1 CHAIR CASTRO: Oh yeah, there you go.

2 MS. NEAL: Sorry. Let me start again.

3 Thank you, Mr. Chairman and members of the  
4 Commission. I must tell you that your topic and the  
5 unique opportunity it gives to examine the civil rights  
6 impact of accreditors as gatekeepers for Title IV funds  
7 is inspired and long overdue, so thank you.

8 Put simply, students need clear  
9 information about quality and financial stability to  
10 have the best chance for success, most especially,  
11 those with limited financial means and limited  
12 familiarity with higher education, yet the  
13 accreditation system fails those students, and I will  
14 pose an alternative.

15 Let's start with a little background. In  
16 passing the Higher Education Act nearly 50 years ago,  
17 Congress linked accreditation and federal student aid  
18 to prevent students from squandering taxpayers' money  
19 as well as their own on diploma mills.

20 It took accreditors who had traditionally  
21 provided voluntary peer review of academic programs and  
22 made them gatekeepers of Title IV.

23 Accreditation, in other words, ceased to  
24 be a voluntary choice and became a costly mandate since  
25 virtually every school in the country depends on Title

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1 IV to survive.

2 The HEA provided that accreditors would be  
3 guarantors of educational quality, so it is no wonder  
4 that parents and the public, and to be blunt, many  
5 members of Congress, mistakenly believe accreditation  
6 is a good housekeeping seal of approval.

7 Today, nearly 7,000 colleges,  
8 universities, and professional schools in the United  
9 States are accredited so that they can receive Title  
10 IV funds. In the 2012-2013 school year, Title IV  
11 amounted to \$170 billion.

12 The OECD data show, incidentally, that the  
13 United States spends more money per pupil in higher  
14 education than any other nation.

15 Yet accreditation is not a reliable  
16 indicator of quality, and the so-called good  
17 housekeeping seal deceives students and consumers.

18 As Professor Milton Greenberg has written,  
19 it is essentially a confidential process which hides  
20 an institution's advantages and disadvantages. Let me  
21 explain.

22 Harvard is accredited, Yale is accredited.  
23 So are Amridge University, Hodges University, Our Lady  
24 of Holy Cross College, The University of Texas at  
25 Brownsville, and Armstrong Atlantic.

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1           If I am a student at Harvard, I am nearly  
2           100 percent likely to graduate in four years, but if  
3           I go to Amridge University in Alabama or Hodges  
4           University in Florida, based on the data from the 2007  
5           cohort, I have zero chance of graduating in four years,  
6           assuming I am a first-time full-time student.

7           If I go to Our Lady of Holy Cross College,  
8           I have a five percent chance of graduating in four  
9           years. Among African American students, or a quarter  
10          of the student body, only seven percent of first-time  
11          full-time students graduate within six years.

12          At the University of Texas at Brownsville,  
13          where 90 percent of students are Hispanic, only 9  
14          percent of first-time full-time students graduate  
15          within four years, and admittedly, there are problems  
16          with the graduation rates, they are not perfect, but  
17          it gives us a snapshot of what is happening.

18          Schools with sad stories of performance  
19          are accredited and receive Title IV funds, but students  
20          have no way of knowing what they are getting into as  
21          they take out loans to pursue their dreams.

22          Student debt now exceeds \$1 trillion, and  
23          those most likely to be in debt, heavy debt, are  
24          minority students.

25          Bottom line, all students are hurt by

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1 accreditation, which too often protects institutions  
2 that do not provide transparent information and do not  
3 deliver good outcomes, but the negative impact is  
4 greatest on those students who typically have the most  
5 limited financial means and are least familiar with how  
6 higher education works. It isn't just that they don't  
7 graduate, it is that they often leave with lots of  
8 student debt and few employment prospects.

9 This is morally indefensible, and the  
10 blame should be placed on colleges and their  
11 accreditors.

12 But that is not the end of the story.  
13 Students are also hurt because accreditation standards  
14 often lead to higher costs with very limited benefits.  
15 Over the years, accrediting associations have been  
16 quite happy to exhort colleges and universities to  
17 advance inputs and spend more money. Financial  
18 burdens are imposed, often with no obvious return.

19 For example, Campbell University in North  
20 Carolina, with a 23 percent minority population, was  
21 placed on probation some years ago because its standard  
22 faculty teaching load was 15 hours per week. The  
23 accreditor insisted that 12 hours was the maximum  
24 acceptable load, so the school solved the problem by  
25 consolidating class sections. Instead of the

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1 relatively small classes students had come to expect,  
2 students now found themselves in classes of 60 or more.

3 What accreditors do not value is also  
4 instructive. Accreditors do not assess whether a  
5 school has put in place a rigorous core curriculum: a  
6 prescribed, limited, and typically far less costly set  
7 of course requirements that help point the way toward  
8 completion.

9 ACTA reviews the core curricula at nearly  
10 1,100 institutions across the country. Notably, HBCUs  
11 do particularly well in our survey: Morehouse College  
12 and Clark Atlanta are 2 of only 23 schools to receive  
13 ACTA's A rating for their general education programs  
14 ensuring exposure to foundational subjects.

15 But do they get any special shout-out from  
16 the accreditors? No. In fact, schools that had  
17 diffuse and do-it-yourself curricula are more likely  
18 to be praised.

19 Now, what does a school do if it is being  
20 abused by an accreditor? Many HBCUs over the years  
21 have criticized the interference of accreditors. They  
22 have raised concerns about their standards, which  
23 invariably raise costs without clear intended  
24 benefits.

25 These questions are legitimate, but the

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1 fact is, institutions in these situations have no place  
2 to go. A regional monopoly of accreditors gives  
3 virtually no choice to institutions if they are being  
4 disserved.

5 Just one example, recently, of how  
6 accreditation also interferes with innovation. In  
7 Ohio, there is a school called Tiffin. Some years ago,  
8 faced with the challenges of the higher ed marketplace,  
9 they made available online programs for those who could  
10 not pay big tuitions, and they were able to show proven  
11 student learning gains.

12 The accreditor, the Higher Learning  
13 Commission, however, decided to second guess  
14 for-profit partnerships, and Tiffin was forced to put  
15 an end to this online innovation. Many students, at  
16 least 47 percent minority, with 90 percent eligible for  
17 Pell Grants, were left without an affordable  
18 educational option.

19 We need to put an end to the existing opaque  
20 system and create a far better, more transparent, and  
21 far less costly way, and I am happy to report that this  
22 is being done at the state level, most particularly in  
23 Florida, where higher education leaders were  
24 frustrated by the opaque system of accreditation and  
25 instead put into place an annual accountability report

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1 of key metrics.

2 Because of this, we know that the minority  
3 students and their families have been empowered more  
4 than ever before, and I would be happy to talk more about  
5 those details, but just by way of example, in 2010, the  
6 University of Florida, which was outlined in this  
7 accountability report, proved to be one of four  
8 flagship institutions given the highest marks on  
9 measures of equity serving low-income and minority  
10 students by Education Trust.

11 The bottom line, more money is not the  
12 answer, great accountability -- greater accountability  
13 is.

14 It's time we eliminated the deeply flawed  
15 accreditation system and replaced it with a transparent  
16 system of accountability that rewards schools that do  
17 right by their students.

18 Thank you so much.

19 CHAIR CASTRO: Thank you.

20 Commissioner Achtenberg, would you like to  
21 open up the questions?

22 COMMISSIONER ACHTENBERG: Thank you, Mr.  
23 Chairman.

24 Mr. Haskins is from the Brookings  
25 Institution, Mr. Chairman.

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1 CHAIR CASTRO: Oh, I am sorry.

2 COMMISSIONER ACHTENBERG: It's okay,  
3 common mistake.

4 The achievement of the baccalaureate  
5 degree, the key to social and economic mobility. Your  
6 -- your figures indicate that that is indeed the case.  
7 Do you have any -- how can you explain why that is?

8 MR. HASKINS: I think it's both because  
9 they actually learn something in college, they make  
10 contacts with people that help them later, helpful to  
11 have a college -- a four-year degree when you apply for  
12 a job, so there are all those effects.

13 But there are also something that  
14 researchers call selection effects, and that means that  
15 a kid who goes to college, and you saw the data on how  
16 many drop out, the ones that finish, it isn't only  
17 because they learn more. It's -- there is a whole  
18 complex set of features that they have that they stick  
19 to it, that they work hard and when things get tough,  
20 they stick it out, and so forth, so there are -- those  
21 are selection effects. They are not directly  
22 measurable, or they're certainly not measured, but they  
23 do contribute.

24 And so college, in that sense, is kind of  
25 a sorting device.

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1 I would point out to you that I think we  
2 can see the same thing and increasingly are saying the  
3 same thing with two-year colleges and degrees and  
4 apprenticeships and so forth. Four-year colleges are  
5 not the complete answer, that is for sure.

6 COMMISSIONER ACHTENBERG: No, they're not  
7 the complete answer, but we do need to increase in sheer  
8 numbers the number of successful graduates of four-year  
9 institutions, do we not?

10 MR. HASKINS: Yes, absolutely. We  
11 certainly do.

12 And not only that, we need to track them  
13 and to figure out what happens. That has been a problem  
14 for a long time, and we -- we don't have great  
15 information about what happens to students when they  
16 leave.

17 And so a number of institutions are  
18 creating the ability to follow students longitudinally  
19 to figure out if they get a job, what their wages are,  
20 and so forth. That is the kind of thing that you would  
21 have to do if you implemented the kind of suggestion  
22 I made about making some of the state aid to colleges  
23 contingent on their performance. We need to know what  
24 their performance is.

25 COMMISSIONER ACHTENBERG: Yeah, you --

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1 you said as much as half of the aid --

2 MR. HASKINS: I --

3 COMMISSIONER ACHTENBERG: -- contingent  
4 on performance?

5 MR. HASKINS: I don't --

6 COMMISSIONER ACHTENBERG: Good, I am glad  
7 to know that --

8 MR. HASKINS: -- yeah, there is no  
9 scientific formula, it's just I think a substantial  
10 amount of aid.

11 I mean, how would you feel if the whole --  
12 all of our spending at the federal level or the state  
13 level were based on no information about the results?

14 COMMISSIONER ACHTENBERG: No, I --

15 MR. HASKINS: And that is what we have been  
16 doing, so it does not make sense.

17 COMMISSIONER ACHTENBERG: Understood, I  
18 just wanted to know where the 50 percent came from.

19 MR. HASKINS: No, I made it up.

20 COMMISSIONER ACHTENBERG: It's somebody  
21 from the Brookings Institution says 50 percent, it  
22 gives one -- I thought, well, I guess --

23 CHAIR CASTRO: Hopefully it's not made up,  
24 yeah.

25 COMMISSIONER ACHTENBERG: -- 50 percent,

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1 I'd hate for the Governor of California to get that  
2 information and think that he could change overnight  
3 from a system based on enrollment to a system -- a  
4 funding system based on -- at least overnight, I am not  
5 saying there should not be --

6 MR. HASKINS: Okay, but here is my point.  
7 It's not 50 percent, but here is the point.

8 Organizations that are being held  
9 accountable --

10 COMMISSIONER ACHTENBERG: Yes.

11 MR. HASKINS: -- don't like it, and so if  
12 they realize it's too late, they can't get out of it  
13 anymore, they've got to do something, they want 5  
14 percent of the money, or 10 percent. It ought to be  
15 substantial.

16 We can start with 5 or 10, but we've got  
17 to build and make it more --

18 COMMISSIONER ACHTENBERG: Understood --

19 MR. HASKINS: -- accountable than --

20 COMMISSIONER ACHTENBERG: -- understood.

21 MR. HASKINS: -- it is now.

22 COMMISSIONER ACHTENBERG: And I don't  
23 think --

24 MR. HASKINS: That's why I used a figure  
25 like --

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1 COMMISSIONER ACHTENBERG: I don't  
2 disagree with --

3 MR. HASKINS: -- that.

4 COMMISSIONER ACHTENBERG: -- you.

5 MR. HASKINS: Okay.

6 COMMISSIONER ACHTENBERG: I don't  
7 disagree with you.

8 MR. HASKINS: All right.

9 COMMISSIONER ACHTENBERG: Ms. Siqueiros,  
10 I know you are deeply familiar with the practices that  
11 work and the practices that don't work when it comes  
12 to -- you both are able to assess the performance gaps,  
13 and you have done a lot of work in terms of assessing  
14 what helps and what doesn't help.

15 Could you talk -- part of what we are  
16 struggling with here is is this an issue that can be  
17 addressed successfully? I think the answer to that is  
18 yes, but I would like to know what you think the answer  
19 is, and if you could delineate some practices that you  
20 have found through your research that are helpful in  
21 addressing these various forms of achievement gap.

22 MS. SIQUEIROS: Well, the first thing I  
23 would say is that that data matters, so Ron mentioned  
24 that we -- we do quite a bit of investing, and we don't  
25 know what the end result is, we don't analyze data in

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1 a comprehensive way.

2 So I think what works are institutions that  
3 use data in very proactive ways to change results.  
4 You've heard earlier from Cal State Fullerton, and  
5 they're actually one of the colleges that we profiled  
6 because they have a really aggressive agenda around  
7 closing the gaps.

8 If you're not analyzing what's happening  
9 at your institution by race, then how are you ever going  
10 to figure out solutions for addressing them?

11 And so I -- I think they are a perfect  
12 example of innovation in that process.

13 We also profiled as we released the State  
14 of Higher Ed for Black Students in California the  
15 Minority Male Community College Collaborative, which  
16 is an effort launched by two professors at San Diego  
17 State University that focuses on actual -- using  
18 research on what works for African American students  
19 and helping to evaluate and assess community colleges  
20 to implement practices that can help support completion  
21 for institutions.

22 And they point out that a lot of the  
23 research is done in terms of what works for students  
24 at four-year universities, so I think you need really  
25 good data, you need leadership at institutions that

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1 care about closing the gaps and are not afraid to talk  
2 about how they are going to close the gaps for students  
3 by race, and you absolutely need incentives that force  
4 them to do that, so you -- we know statewide that Cal  
5 State has the California Graduation Initiative that is  
6 about closing the gaps. I don't see how you change  
7 these results without doing that.

8 And there is obviously the K-12 role, you  
9 know, we have to make sure that more high schools are  
10 better preparing students, you know. Race matters  
11 because most of our Latino and black students in  
12 California attend low-performing schools.

13 It is not just a cultural, you know,  
14 phenomenon that Latino and black students don't go to  
15 college and graduate at higher levels. They go to the  
16 least, you know, best-performing schools where they  
17 have the least prepared teachers. You know, there are  
18 institutional factors that have to be addressed, and  
19 those can only be addressed through policy and funding.

20 CHAIR CASTRO: Commissioner Heriot?

21 COMMISSIONER HERIOT: Thank you, Mr.  
22 Chairman.

23 CHAIR CASTRO: You're welcome.

24 COMMISSIONER HERIOT: I don't know if we  
25 under-invest in higher education in the absolute sense.

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1 I mean, maybe we do, maybe we don't.

2 But I am really worried that we over-invest  
3 in higher education relative, you know, to other kinds  
4 of investment in human capital: vocational education  
5 of various sorts.

6 You know, not everybody wants to go to  
7 college. Many people prefer other kinds of -- of  
8 vocations, other kinds of learning. Not every subject  
9 is best taught in a classroom situation.

10 I am wondering if any of you have any  
11 comment on these other kinds of vocational education,  
12 other kinds of investment in human capital. Are we  
13 under-investing there?

14 MR. McCLUSKEY: I think that's really an  
15 excellent point, and I do think it's important that this  
16 can't just be about higher education. There is a whole  
17 lot that happens before that, and I think the K-12 part  
18 is important.

19 And if you look at a lot of other countries,  
20 they do have much more robust sort of vocational tracks  
21 than we do, so if you don't want to go to a school where  
22 you have to take, you know, a liberal arts core and then  
23 maybe you can get your engineering degree or something  
24 like that and you want to do something we consider  
25 vocational -- and that term, unfortunately, has

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1 negative connotations -- but you can do that.

2           There is a danger, of course, with that,  
3 you know. If you think about Germany, for a long time,  
4 it was you took a test and you were tracked into that.  
5 We definitely don't want a system where your future is  
6 determined for you by a test.

7           We do want one where if you have an interest  
8 or ability to do something that takes you away from a  
9 traditional college, you should be able to do that, and  
10 we see a lot of that, you know, within school choice.

11           There are charter schools now, for  
12 instance, where you can learn everything right down to  
13 sort of underwater welding, which I don't have any  
14 experience with underwater welding, but I understand  
15 that it is pretty lucrative. You can get lots of very  
16 valuable skills, skills that can't be easily  
17 outsourced, through these other alternatives.

18           And there is something else important, I  
19 think, in your -- in your question, which is that we  
20 have a lot of money going into higher education that  
21 by all indications isn't translating into more  
22 learning. There's credential inflation, there's the  
23 arms race in amenities and buildings and things like  
24 that, so I think it is hard to make the argument that  
25 we need more money. Maybe we need it better targeted.

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1 I think more important is we need to allow  
2 people to choose what they think is best for them, even  
3 before college.

4 MR. HASKINS: I agree with all that. We  
5 should place much more emphasis than we do now on  
6 non-four-year, not just two-year colleges, but all  
7 kinds of degree-granting programs.

8 This area brings up another very  
9 interesting topic, which is online work. There's a lot  
10 to be done online now and a lot now being done. People  
11 have qualified for various certificates based on  
12 online. This has a real impact on their debt that they  
13 carry away, and also the programs where you work and  
14 get practical experience at the same time, many of these  
15 programs start in high school.

16 Georgia and Wisconsin both have ideal  
17 programs that start kids in high school getting  
18 experience in work, and we have about something like  
19 5,000 career academies across the country that do the  
20 same thing, and there is very good, high quality  
21 research that shows that those kids, the boys that were  
22 in those programs, 8 years later, they're followed 8  
23 years, they made \$2,000 more, and they're more than 20  
24 percent more likely to live with their children and be  
25 married.

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1           So these programs -- and oh, by the way,  
2           on the point of does it shut them out of four-year  
3           schools, the kids who were in the career academies had  
4           the same probability of going on to a four-year  
5           institution as kids who did not -- similar kids who did  
6           not participate in the program, so it doesn't  
7           necessarily shut them out, it doesn't close the door.

8           So these programs, yes, they need to be  
9           looked into, they should be a part of what the  
10          Commission focuses on, I believe.

11          COMMISSIONER HERIOT: Yeah, my fear is  
12          that, you know, I agree, we don't want to follow the  
13          German tracking system, that is not an American thing,  
14          but there are a lot of people out there who really are  
15          bored to death in the classroom and would much prefer  
16          jobs that -- that are -- are, you know, what we call  
17          sometimes disparagingly vocational education, but I  
18          can't see why that, you know, that bias should -- should  
19          be something we should cater to.

20          CHAIR CASTRO: I have a few questions  
21          here.

22          Ms. Siqueiros, you mentioned that, you  
23          know, race matters a lot in this context still and that  
24          there is an over-representation, I believe, of -- I  
25          think it might have been Latino students, or maybe it

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1 was minority students, in for-profit schools. Could  
2 you clarify that for me?

3 MS. SIQUEIROS: Yeah, so -- so for black  
4 students in California, if you look at the chart in  
5 front of you, we analyze sort of the young adult sort  
6 of population, 18-25 year olds, and we see that they  
7 are over-represented in for-profit colleges for that  
8 age group and then under-represented at the four-year  
9 universities, slightly over-represented at community  
10 colleges.

11 We find that that is significant for black  
12 students in particular in our state attending  
13 for-profit colleges. We know that there's a regional  
14 issue, for example, in the Inland Empire where we have  
15 a growing population, and there's only a couple public  
16 universities, but if you drive down the 10 freeway  
17 heading east, you will see for-profit colleges up and  
18 down.

19 We know that some of the things for-profit  
20 colleges do in terms of pretty intense marketing and  
21 outreach and handholding are things that students who  
22 are first generation going to college need. I think  
23 in some ways they are looking for kind of a direct way  
24 to get trained into a particular job. They're given  
25 a particular guidepost for that.

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1           And so those are some of the practices that  
2           community colleges, for example, don't have the  
3           resources to -- to necessarily do, but those are the  
4           things that work for students who don't have anybody  
5           else guiding them to a four-year university.

6           And we also see high numbers of Latino  
7           students at for-profit colleges too, so it is a common  
8           thing.

9           CHAIR CASTRO: And yesterday, during our  
10          panels, it was brought up that many of these for-profit  
11          schools end up with large amounts of students that end  
12          up not completing and end up with substantial debt, and  
13          that in fact, some of these schools actually target  
14          those students for the purpose of obtaining some of that  
15          financial aid, and some of them who may complete the  
16          work find that their -- their education is not what they  
17          thought it was, or they couldn't -- they can't transfer  
18          it over because the credentials aren't transferrable.  
19          Do you know anything about that?

20          MS. SIQUEIROS: Yeah, I mean, I think this  
21          is -- this is what is really disturbing.

22          You know, you have essentially for-profit  
23          colleges and universities, some of which are actually  
24          good performers, so I don't want to sort of make a  
25          blanket statement, but some of which really do target

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1 enrollment because they are completely publicly  
2 funded, so the idea that they are private institutions  
3 is really concerning when they rely on -- on students  
4 that are low-income that will qualify for Pell, that  
5 will qualify for Cal Grants, that qualify for these  
6 federal subsidized loans or private loans.

7 And so if -- if -- I think there should be  
8 a federal expectation, if these institutions are  
9 receiving federal money, that they have some skin in  
10 the game, and if they are being funded entirely through  
11 federal and -- and state dollars, they don't have any  
12 skin in the game in terms of producing better outcomes  
13 for some students. We find that disturbing.

14 As a member of the California Student Aid  
15 Commission, we instituted, you know, the legislature  
16 and the governor passed new rules around limiting Cal  
17 Grants to institutions that had a high cohort, you know,  
18 loan default rate for their students, meant that a lot  
19 of their students had graduated or not, but were not  
20 able to pay their loans and had a very high -- or very  
21 low six-year graduation rate.

22 So there are mechanisms by which we can put  
23 minimum requirements. This was done in California in  
24 response to the recession and the fact that, you know,  
25 there are limited dollars and so you have to pick and

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1 choose how you disburse them, but in actuality, it is  
2 good practice, and it's why Corinthian in particular  
3 has -- has been so affected, because many of those  
4 colleges in our state were kicked out of receiving Cal  
5 Grants.

6 Again, if they're -- if they're receiving  
7 public dollars, and that is their only mechanism by  
8 which they survive, we should be a little bit concerned.

9 CHAIR CASTRO: Yes, Ms. Neal.

10 MS. NEAL: I just want to add to that, I  
11 certainly would agree that -- that all for-profits are  
12 not superb, but I think it would be unfair to single  
13 them out for single-digit graduation rates.

14 As I indicated in my testimony, we are  
15 looking at many, many non-profits with single digit  
16 graduation rates, and so the issue is one across the  
17 board, and I think it would be wrong to -- to single  
18 out one sector for that problem.

19 CHAIR CASTRO: Thank you.

20 MR. McCLUSKEY: Could I just add --

21 CHAIR CASTRO: Sure.

22 MR. McCLUSKEY: -- one quick thing on  
23 that?

24 If you look at these different sectors,  
25 there does seem to be a correlation between their

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1 outcomes and who they are serving, and a lot of this  
2 appears to have a lot to do with the preparation of  
3 people who attend those schools before they ever get  
4 to college.

5 So there are plenty of atrocious  
6 for-profit schools, but like Anne said, if you look at  
7 community colleges, they have terrible outcomes, and  
8 there seems to be a connection between the preparation  
9 of the students who go there.

10 That's why this is also a K-12 problem to  
11 a very large extent, is where often through aid giving  
12 people money to go to college who may not really be  
13 prepared for it. You see this in huge remediation  
14 rates. People who are remediated are much less likely  
15 to finish.

16 So that is something that absolutely has  
17 to be focused on whenever we talk about higher ed, is  
18 what is going on at -- really from birth to high school  
19 graduation.

20 CHAIR CASTRO: Well to be sure, there's no  
21 perfect players in this entire system, but my  
22 recollection from yesterday's testimony was that in  
23 terms of students who have defaults on their loans, I  
24 think it is well over-represented, students coming from  
25 the for-profit universities, they go something like 47

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1 percent of all the defaults if my memory serves  
2 correctly, so clearly there is something happening  
3 there as it relates to these funding issues that merits  
4 a little closer attention, but of course, not everyone  
5 should be painted with the same brush.

6 Ms. Siqueiros?

7 MS. SIQUEIROS: Well just in response, I  
8 don't disagree that preparation and K-12 matters, but  
9 colleges should be serving the students they have, not  
10 the ones they wish they had.

11 And so I think it gets to the question of  
12 if you have students that are coming in less prepared,  
13 what are you doing as an institution to better provide  
14 service to them? And we know that there are  
15 institutions and community colleges that are  
16 addressing remediation in a way that is very effective.

17 So -- so I just would push back a little  
18 bit that it -- it can't just be blame K-12. There is  
19 a responsibility for institutions as they serve  
20 students.

21 CHAIR CASTRO: Mr. Hoskins -- Haskins, I  
22 am sorry, of Brookings Institution, I had a question  
23 about one of the charts that you showed us. I think  
24 it was chart number 3 --

25 MR. HASKINS: Yes.

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1 CHAIR CASTRO: -- which shows that Latino  
2 -- the Latino college attendance now exceeds the  
3 African American college attendance, and earlier today  
4 we had testimony from Professor Flores, who indicated  
5 that some of this may be just pure demographics, that  
6 is, the growing population of Latinos means that  
7 naturally there are going to be more that are  
8 represented in the pipeline to college, not necessarily  
9 that we have come up with a magic program that has  
10 somehow put more Latinos on the path to college.

11 Is that -- is -- do you have any opinion  
12 on that and how that may be represented in your chart?

13 MR. HASKINS: It could be true. I am not  
14 positive. But my charts are percentages, so I don't  
15 think it should be. It isn't just the numbers, it's  
16 the percentages --

17 CHAIR CASTRO: Okay.

18 MR. HASKINS: -- that's been coming up,  
19 the percent of enrollment, so that does indicate that  
20 all other things equal, Hispanics are in fact more  
21 likely -- their rate of increase in being in college  
22 is greater than for blacks.

23 CHAIR CASTRO: And do you know of any --  
24 your opinion as to why that might be?

25 MR. HASKINS: I have opinions about it.

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1 There's some research about it.

2 CHAIR CASTRO: Okay.

3 MR. HASKINS: I think family background  
4 makes a big difference. I think that quality of high  
5 school makes a big difference.

6 I think -- one thing that has happened in  
7 the Hispanic community, apparently, I especially  
8 talked to people in Chicago about this, and they've  
9 written about it, I could give you some references, and  
10 that is that there has been a change within the family.

11 Many Hispanic families, at least in  
12 Chicago and other places that I have heard of, don't  
13 necessarily pressure their kids to go to school. They  
14 want them to earn money and contribute to the family.  
15 They were actually a force that kept some kids from  
16 going to school, and that appears to be changing a lot.  
17 The parents come to realize how important college is.  
18 Of course, they want what is best for their kids.

19 So the views of parents are changing. I  
20 think that could be another factor that is contributing  
21 to this issue as well.

22 CHAIR CASTRO: Oh, I can attest to that.  
23 I am from Chicago, and I think it's something that was  
24 not just in Chicago, but a lot of immigrant Latino  
25 families in particular would encourage their children

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1 when the family needed it to step out of school and help  
2 the family, and we've I think in the Latino community  
3 made an overwhelming effort to try to educate our  
4 parents about that, but it's still a challenge, but I  
5 think, you know, there's certainly more folks talking  
6 about that issue.

7 MR. HASKINS: But I do think that is a  
8 factor in why the percentage of Hispanics that are going  
9 to college is increasing more rapidly than for blacks.

10 CHAIR CASTRO: Okay.

11 Madam Vice Chair, you have some questions?

12 VICE CHAIR TIMMONS-GOODSON: We were  
13 talking just a -- thank you, Mr. Chair.

14 We were talking just a moment ago about  
15 default rates and for-profit colleges and  
16 universities. My recollection is that there are  
17 certain limits or guidelines placed on our public  
18 colleges and universities where, if they reach a  
19 certain default rate, there are penalties attached to  
20 a loss of government monies.

21 Are our for-profit colleges and  
22 universities subject to the same default rates, the  
23 same kind of penalties? I seem to recall that they are  
24 not.

25 MS. SIQUEIROS: In California, the rules

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1 do apply across the board. There is -- so in  
2 California, they do.

3 In -- in terms of federal policy, I am not  
4 quite sure --

5 VICE CHAIR TIMMONS-GOODSON: That's what  
6 I was inquiring about, federal policy.

7 MR. McCLUSKEY: I could be wrong, but I am  
8 pretty sure it is the same for all schools. They have  
9 been changing how they calculate the cohort default  
10 rate from when it was two years to three years, but I  
11 think it's the same regardless, as long as you're taking  
12 Title IV money.

13 Where there may be a difference, I would  
14 have to look, but there is a question about how you  
15 incorporate G.I. Bill money. That has not been counted  
16 in some ways toward for-profit schools. I don't think  
17 it's connected to the default rate, and if I am correct  
18 in that, then there is no difference, to my knowledge.

19 VICE CHAIR TIMMONS-GOODSON: Yes.

20 MS. NEAL: This doesn't go to the default  
21 rate, but I can say within the accreditation system,  
22 for-profits have been held to certain baseline  
23 requirements that the non-profits have not, so that at  
24 least in terms of certain basic requirements, it's a  
25 higher level of expectation of the for-profits in terms

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1 of graduation rates and national outcomes than of  
2 non-profits, where it really has been up for the -- up  
3 for grabs as to what was acceptable and what was not.

4 In fact, accreditors have no baseline  
5 graduation rates, for instance, that mean yes you get  
6 money or yes you don't, though there are baselines for  
7 for-profits.

8 VICE CHAIR TIMMONS-GOODSON: Thank you.

9 CHAIR CASTRO: Commissioner Narasaki?

10 COMMISSIONER NARASAKI: Thank you.

11 So Mr. Haskins has testified that their  
12 recommendations of Brookings is to take TRIO and  
13 programs like that, to reform them and perhaps create  
14 a more general, flexible grant program to provide that  
15 kind of support, and I was wondering, Ms. Siqueiros,  
16 whether you also -- what's your response to that  
17 recommendation, I'm sorry?

18 MS. SIQUEIROS: So quite frankly, I  
19 haven't analyzed a lot of those programs myself.

20 My concern with that recommendation would  
21 be that in many instances, it is those programs that  
22 have really high graduation rates for  
23 under-represented students, and so I -- I think just  
24 more research would be needed before I could feel  
25 comfortable.

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1 I do think that we have to get to a place  
2 where resources reach more students. Some of the  
3 challenges are that those programs only reach a small  
4 number of students, and we need to get to a place, as  
5 we have a student body that actually -- where the  
6 majority now is first generation, all of the students  
7 could benefit from those kinds of services that Puente  
8 or TRIO or MESA provide, is how do we scale that kind  
9 of intervention?

10 And we know that there's limits, right?  
11 Especially some of the programs are really high touch,  
12 they are, you know, you can only do with a small cohort  
13 of 50 people in order to be effective.

14 I think one of the things that Provost Cruz  
15 at Cal State Fullerton said is that what they do is use  
16 the data to identify the programs that are very  
17 effective at closing gaps and serving students and that  
18 can be scalable, and I think that is the direction we  
19 need to move in, because there may be some of those  
20 programs that are effective, but they're not scalable,  
21 but we do need a scale. We need more of the students  
22 to be able to access some of the benefits that these  
23 programs provide.

24 COMMISSIONER NARASAKI: So I just have one  
25 more question --

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1 CHAIR CASTRO: Sure, go ahead.

2 COMMISSIONER N Narasaki: So --

3 MR. HASKINS: Could I clarify one thing  
4 please?

5 CHAIR CASTRO: Sure.

6 COMMISSIONER NARASAKI: Did I  
7 mischaracterize what you wrote?

8 MR. HASKINS: No, no.

9 COMMISSIONER NARASAKI: Okay.

10 MR. HASKINS: It's not a Brookings  
11 recommendation.

12 COMMISSIONER NARASAKI: Oh, sorry.

13 MR. HASKINS: It's my own recommendation  
14 based on research.

15 COMMISSIONER NARASAKI: Okay.

16 MR. HASKINS: Okay.

17 COMMISSIONER NARASAKI: Thank you.

18 So the other question I have is that I --  
19 I got the impression from the most recent testimony from  
20 this panel, at least some people believe that we're  
21 spending enough on higher education support.

22 Ms. Siqueiros, you testify in your written  
23 testimony that we at least need to consider spending  
24 more on Cal Grants and making them more available  
25 throughout the year to help people who go to summer

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1 school, and, you know, are sort of the more  
2 non-traditional students.

3 I am wondering what your view is about  
4 whether we're actually spending enough on financial  
5 aid, and where you would put it if we were to try to  
6 either reorganize what we're spending or try to spend  
7 more.

8 MS. SIQUEIROS: Yeah, that's a really --  
9 a really tough question.

10 I don't believe we're spending enough. I  
11 mean, the research is -- is pretty clear that -- that  
12 the Pell Grant, while it has obviously grown in size  
13 and in terms of cost for the federal government because  
14 our population growth has increased has not kept pace  
15 with the cost of getting a college education.

16 The research indicates that, you know,  
17 it's harder today for low-income students to go to  
18 school full-time. When they do go to school, many of  
19 them have to work. So making summer Pell available  
20 again would obviously better support those resources.

21 In California, it's clear we're not  
22 spending enough on higher education. You know, there  
23 is a huge wage premium for folks today that's very  
24 different from what it was in the 60s or 70s when a lot  
25 of these programs were instituted, so before, you could

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1 get a high school, you know, degree, and that was enough  
2 to put you into middle class life and -- and get a job  
3 that you could sustain over a career, it could afford  
4 you a house.

5 That is simply not the case today. We know  
6 that whether it's a vocational degree or a four-year  
7 degree, that's what makes the difference in students'  
8 abilities today to get into the middle class.

9 And so if we care about sort of growing our,  
10 you know, middle class, I don't see how you can do it  
11 without investing more, especially in getting more  
12 low-income students to be able to afford to go to  
13 college full-time.

14 I don't know what the magic number is. I  
15 think making Pell year-round is a good first step,  
16 simplifying FAFSA so that more eligible students  
17 actually apply and get the financial aid they're  
18 already entitled to is a second step. Those would be,  
19 you know, the more immediate recommendations.

20 COMMISSIONER NARASAKI: All right, and I  
21 -- I had one more add-on to that.

22 So Mr. Haskins' slides show that there is  
23 -- there is actually a decrease in work study, if I read  
24 the slide correctly, so I am wondering if that is a  
25 concern, that we are actually spending less on work

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1 study.

2 A prior panel had noted that they felt that  
3 -- the Chancellor noted that he felt one of the most  
4 important things was to address the fact that we don't  
5 have the traditional old-fashioned kids, 18 years old,  
6 just out of high school, going to college, but now we  
7 have older students with families who do need to work,  
8 and so one of the biggest challenges for successful  
9 getting to a degree is can you stay in college if you're  
10 working full-time, even if you're getting your tuition  
11 taken care of?

12 MS. SIQUEIROS: Yeah, I think work study  
13 is really critical.

14 You know, the research indicates that the  
15 longer a student is on a campus, the more likely they're  
16 -- they're going to feel like they belong, the more  
17 likely they're going to succeed and get to graduation,  
18 and work study helps to do that.

19 I think part of it is certainly federal  
20 funding. The other part is Northeastern University is  
21 a good example of a public/private partnership where  
22 they actually have students that start working because  
23 they're going to work, so they're going to school  
24 part-time and they are working part-time, in their  
25 chosen field.

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1           So it's not like having a job at The Gap,  
2           it's having a job, you know, as an intern in an  
3           engineering company where that company actually covers  
4           some of the cost.

5           So I would just say that, you know, it may  
6           absolutely be increasing federal funding, but also, how  
7           do we increase, you know, public/private partnerships  
8           that want, you know, good quality interns that they can  
9           then potentially grow in their leadership and address  
10          the fact that the students do need to work? So is it  
11          better to have them working in their field or working  
12          on campus? Yes.

13                    COMMISSIONER NARASAKI: Thank you.

14                    CHAIR CASTRO: Commissioner Kirsanow?

15                    COMMISSIONER KIRSANOW: Thank you Mr.  
16           Chairman, thanks to all the panelists, this has been  
17           very informative, as have the other panels.

18                    A couple of questions. We've been talking  
19           a lot about funding throughout all the panels, and as  
20           I mentioned in the previous panel, I was troubled by  
21           a number of slides I saw that showed that we're spending  
22           trillions of dollars, we have spent trillions of  
23           dollars, with marginal effect.

24                    As I mentioned before, I'm particularly  
25           troubled by over 30 -- sorry, a 23-year period, the gap

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1 between black and white achievement has only narrowed  
2 by 2 points. There could be a lot of reasons for that,  
3 but I would hope that if you spend several hundred  
4 billion dollars trying to narrow the gap, we'd narrow  
5 it more than 2 points, and that we would have to wait  
6 actually more than 300 years for that gap to  
7 completely erase if we go by today's measurements, it  
8 would take more than 300 years.

9 I'm fine, because it's not my money, at  
10 least -- at least not directly, if we want to spend more  
11 money on something, but I'd hope we would do so smartly.  
12 I am -- I was struck by the fact that there are really  
13 no measurements, no transparency, no accountability  
14 standards, and yet we're going to give more money to  
15 demonstrably failed programs, because it's not doing  
16 anything. Maybe happy talk, but it doesn't seem to be  
17 closing any gaps.

18 If you were to suggest a policy  
19 prescription for narrowing achievement gaps,  
20 increasing college access persistence and  
21 obtainability, would it be to (a), increase funding,  
22 or increase transparency, or accountability standards?  
23 Which one of those is the most effective, of those  
24 three?

25 CHAIR CASTRO: Do you have all of the above

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1 as well as a choice, Commissioner?

2 COMMISSIONER KIRSANOW: Well, you know,  
3 given the fact that money is something, and we're  
4 talking about money, and I know we've got all kinds of  
5 money, but it's the Chinese government's money,  
6 frankly, it's not our money. We don't have any money.

7 So I would like to know how do we get this  
8 stuff done the smartest way. I am interested in  
9 outcomes more than inputs at this particular point.

10 Yes, Ms. Neal.

11 MS. NEAL: Yeah, I want to certainly agree  
12 with you on that, because as I indicated earlier, we're  
13 spending two times per student the average of any other  
14 industrialized country with worse results.

15 I mean, we're looking at four-year  
16 graduation rates that now hover around 40 percent, and  
17 so I think rather than just looking at this as a -- a  
18 problem that needs more federal dollars thrown at it,  
19 we really need to be looking at ways of holding the  
20 institutions accountable. We have heard more skin in  
21 the game. I think that's an important issue. These  
22 institutions need to have more skin in the game, and  
23 we need to basically credit those that are succeeding  
24 and not credit those that are not, but as I have  
25 indicated, students will not know the difference

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1 between a school that is doing well and having student  
2 learning gains and schools that aren't having learning  
3 gains, and I think this is where we need to improve the  
4 existing accreditation system, which essentially  
5 rewards schools no matter how they do.

6 If they're doing 90 percent graduation  
7 versus 5 percent, it doesn't matter, they still get  
8 Title IV, so this is why I think we need to move to a  
9 -- a basically -- a transparency system, which would  
10 allow institutions to show they are financially stable,  
11 would require them to show certain key metrics of  
12 performance, and last but not least, would insist that  
13 in order to get Title IV money, they would have to show  
14 student learning gains.

15 Because at the end of the day, it's not  
16 simply a question of giving someone a degree or giving  
17 them a piece of paper, it's actually showing that  
18 students have gained value with the money that they have  
19 spent, and study after study, whether we look at  
20 Academically Adrift by Arum and Roksa or -- or the  
21 National Assessment of Adult Literacy, we are showing  
22 that vast percentages of college graduates are emerging  
23 after spending lots of money, many of them in debt,  
24 without the skills that are needed to be effective in  
25 the workplace.

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1                   So the system is -- is skewed in favor of  
2                   access and not in favor of student success once they  
3                   are there.

4                   CHAIR CASTRO:   Mr. Haskins.

5                   MR. HASKINS:   I agree with everything she  
6                   said, and she didn't exactly say this, but  
7                   accountability I think is key.

8                   We're going to have problems with money.  
9                   I mean, we haven't talked about it here, but I do a lot  
10                  of work on federal debt and deficit, and the day has  
11                  come when we've already started cutting spending on  
12                  children's programs in the last two years, which we had  
13                  not done for the previous 30 years, so there is a real  
14                  issue of how much money the federal government is going  
15                  to be able to spend.

16                  And the states are, if anything, even more  
17                  financially strapped.

18                  So what we have to learn to do is to do  
19                  better with what we have now, and accountability is  
20                  definitely the answer. So we need accountability in  
21                  K-12 schools, we need accountability in community  
22                  colleges, we need accountability at the university.

23                  And two of the three recommendations I made  
24                  you were basically accountability recommendations. I  
25                  -- I think it's very important that we spend about a

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1 billion dollars now, for example, on these college prep  
2 programs that are supposed to be focused on low-income  
3 kids, and there are very good research studies that show  
4 they produce modest or no impacts, with some  
5 exceptions.

6           So why wouldn't we make it more demanding,  
7 force them to evaluate, that's a condition of their  
8 getting the money, they have to do good studies to show  
9 that they're producing impacts, and if they're not,  
10 give the money to somebody else? That should be a  
11 principle of federal funding.

12           COMMISSIONER KIRSANOW: What should --  
13 what should be the metrics in that evaluation, in that  
14 accountability? Would it be not just a diploma, but  
15 say five-year income rates or something, looking at a  
16 longitudinal study of what does that person do with that  
17 particular diploma?

18           MR. HASKINS: Right, I think a high school  
19 graduation would be the least desirable, but  
20 nonetheless a good measure. College entry is a good  
21 measure. College completion is a much better measure.  
22 And did they get a job when they graduated, and what  
23 is their wage would be the best of all.

24           MR. McCLUSKEY: I'm going to first of all  
25 say that funding is absolutely not the answer. More

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1 funding is not the answer. We spend more on education,  
2 all levels, than almost any other country: there's  
3 Luxembourg, one or two others.

4 In higher ed, we spend more than any other  
5 country. What we've seen this funding translate into  
6 is largely a lot of waste. I mean, if you look at --  
7 I know it's cherry picking to say look at the water parks  
8 that are springing up in colleges and universities,  
9 many of these public colleges and universities.

10 There's a reason for that. What we've  
11 seen is evidence, research evidence, which shows that  
12 what most people do when they are choosing between  
13 colleges now is they don't choose based on academics,  
14 they choose based on amenities.

15 A lot of this is because we're using  
16 third-party funding to pay for it. Partially it's  
17 grants. I think it's much bigger a problem of loans,  
18 and that loans you get very easily in any amount from  
19 the federal government, and so -- and the same at the  
20 K-12 level, is we spend a lot of money, and we haven't  
21 seen any real correlation in improving outcomes as a  
22 result of it.

23 I am -- I always worry about accountability  
24 because accountability sounds good, but you -- we need  
25 to look at something like what we've seen with No Child

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1 Left Behind, which was supposed to be about  
2 accountability.

3 What we found, though, is that people who  
4 would be held accountable are pretty good at finding  
5 the ways out of being held accountable, so No Child Left  
6 Behind said well you're going to have all kids  
7 proficient by 2014, and what did states do? In most  
8 cases, they had a definition of proficiency which was  
9 incredibly low.

10 And so we have to be realistic about how  
11 much the -- an accountability system might -- might --

12 COMMISSIONER KIRSANOW: You really can't  
13 fudge -- or maybe you can, you can fudge anything.

14 As Mr. Haskins was talking about, if you  
15 look at five years out from the period of time when  
16 somebody graduates, if he has got a job making \$50,000  
17 a year, you know that that's a metric you can look to  
18 as opposed to somebody, say another college, well, only  
19 30 percent of their students five years out have a job  
20 of \$50,000 a year or more.

21 MR. McCLUSKEY: But I can already tell you  
22 one problem with that.

23 So then you have to adjust for what the  
24 situation of those people when they went to those  
25 schools because there will be schools that deal with

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1 kids who are -- or students who are less well-prepared.

2 Then we put into the law, well, okay, if  
3 you're less -- your students are less well-prepared,  
4 you don't have to earn as much. Then you start to see  
5 all sorts of loopholes and things working their way into  
6 regulations.

7 So that's what we have seen repeatedly when  
8 we talk about accountability.

9 COMMISSIONER KIRSANOW: With some  
10 transparency, some transparency, would that assist in  
11 terms of if you provide students, parents, with all the  
12 information you possibly can, a number of metrics, that  
13 would establish -- there is no perfect metric, right?  
14 And you can fudge almost anything. But if you've got  
15 a number of metrics, give them a lot of information  
16 about which institution do you want to go to?

17 Inject some competitiveness into the  
18 process so college A competes against college B for the  
19 same student, knows, I've got to be better than these  
20 guys.

21 MR. McCLUSKEY: Yeah, well, and I think  
22 that, you know, intuitively, that would work.

23 The problem is we actually see lots of data  
24 is already available for colleges. Nobody likes the  
25 U.S. News & World Report evaluations, but they actually

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1 do tell you stuff like graduation rates and  
2 cost-per-student and things like that, but federal  
3 government has had the College Navigator now for  
4 several years, and what we've seen is that people tend  
5 to not use a lot of the information we make available.

6 I think part of that problem is we want to  
7 do good with aid, but part of what aid does is say make  
8 this decision, we will pay for your decision, and it's  
9 not necessarily your money or money you have right now  
10 that is part of that.

11 I actually think part of the solution is  
12 counter-intuitive, but actually people selecting  
13 schools need to have more of their own money involved  
14 rather than third-party funding because that  
15 incentivizes making more disciplined decisions, and  
16 that -- that's actual accountability, and especially  
17 when people, you know, are using their own money, and  
18 then they hold a school accountable when that school  
19 is not giving them what they want.

20 CHAIR CASTRO: Okay, I am going to move on,  
21 Commissioner Kirsanow, I've got three other  
22 Commissioners who want to ask questions, and we're  
23 getting close to the end.

24 So Commissioner Kladney followed by  
25 Commissioner Achtenberg and then the Vice Chair.

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1 COMMISSIONER KLADNEY: Thank you, Mr.  
2 Chairman.

3 CHAIR CASTRO: You're welcome.

4 COMMISSIONER KLADNEY: I think it seems  
5 from all the testimony we've heard that everyone has  
6 a different dog in the fight here, although focused  
7 toward the same solution.

8 And it seems to me that all these different  
9 schools, colleges, community colleges, we've even  
10 talked a little bit about K-12, all have issues, but  
11 do they have the same issues, or are they all different  
12 issues, for accomplishing a goal of getting more  
13 students, minority students, through higher education?

14 I'd like to hear some priorities, some  
15 programs that you propose, and whether you believe that  
16 to be a correct statement, that different schools face  
17 different problems, and how are we going to evaluate  
18 them, like Commissioner Kirsanow spoke about?

19 And -- and -- excuse me. How -- I mean,  
20 it seems like a very sprawling problem here, very  
21 unwieldy situation from all the testimony, so I was  
22 wondering if you could give some commentary, you know,  
23 focused on -- on the solutions besides just  
24 accountability. I mean, how do you go about that?

25 CHAIR CASTRO: Ms. Neal?

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1 MS. NEAL: Going back again to my  
2 suggestion that we allow Title IV money to flow to  
3 schools that are showing that they are having success  
4 with students by showing student learning gains.

5 Why is this a good solution? Because, I  
6 mean, it's not a one-size-fits-all sort of exam. In  
7 other words, these national norm tests such as CAP or  
8 Proficiency Profile take the students where they are  
9 and determine whether or not they are at or above  
10 predicted learning gains for those cohorts, so it is  
11 a wonderful way for a school to be able to establish  
12 that it is doing a very good job with certain parts --  
13 certain demographics in the population.

14 So I think we do need to go to a system that  
15 is going to reward and showcase institutions that are  
16 transparent in terms of their financial stability, what  
17 they're able to do, and the fact that they are actually  
18 providing value to students, because if the students  
19 are leaving with student learning gains, that  
20 presumably is going to be a helpful predictor that they  
21 will succeed once they get out of -- out of the  
22 institution.

23 CHAIR CASTRO: Anyone else?

24 COMMISSIONER KLADNEY: So the schools  
25 would compete individually to show these different

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1 gains, and then you go about it in different ways?

2 MS. NEAL: Well, what I am proposing is  
3 that we move away from the accreditation system, which  
4 is very opaque, and basically which has money flowing  
5 to every institution regardless of its performance,  
6 because as I indicated, we're seeing single-digit  
7 graduation rates at schools that are still receiving  
8 Title IV funding.

9 What I would like to see is a system where  
10 Title IV flows directly to institutions that show that  
11 they are providing education to students and that the  
12 students are graduating at or above predicted learning  
13 gains after they have attended these institutions.  
14 This way, we are able to highlight schools that are  
15 successful at whatever price, and we're able to show  
16 those who are affected, the students who are looking  
17 to find schools that are doing well with their  
18 particular cohorts, that they will be able now to have  
19 data enough to make an informed decision, which they  
20 can't make under the current system.

21 CHAIR CASTRO: Anyone else on the panel?

22 MR. HASKINS: I just -- I would like to  
23 endorse the idea and defend the idea that we have to  
24 measure what we want to do.

25 Process measures are almost always in the

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1 stake. We need to specify the outcomes that we want  
2 and then pay for those. That has to at least be part  
3 of an accountability system.

4 And we can measure these things. We have  
5 all kinds of good statistical techniques to adjust for  
6 where the students started. So it doesn't throw the  
7 whole system off just because some school specializes  
8 in kids who graduated in the top third of their class,  
9 and another school specializes in kids who may be around  
10 the middle or a little below the middle, we can adjust  
11 statistically for that, we can compare institutions  
12 that have those kind of rates, and that there are --  
13 plenty would be based on starting with low-income kids.

14 There are lots of things we can do.  
15 Accountability has got to be part of the system, and  
16 it has to be based on outcomes, not processes.

17 MR. McCLUSKEY: Just I guess my job is to  
18 throw a wrench in ideas.

19 You still have problems, though. Think  
20 about -- you know, we talked about controlling for who  
21 -- who your student population is. When you get to  
22 college, you also run into very big problems: what is  
23 it you want to measure? Do you measure what every  
24 student knows when they leave that college? Do you  
25 measure it by the program that they are in, so you have

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1 some set exam for all engineering students, for all  
2 English majors, for all accounting majors?

3 Is it supposed to be a measure like we have  
4 seen particularly used in critical thinking? What  
5 does it mean to be critical thinking?

6 I say these things to point out that it --  
7 using the term "accountability" is certainly  
8 intuitively, you know, it's something we want to have,  
9 we want to have accountability, but we've seen  
10 repeatedly that actually operationalizing  
11 accountability becomes a very difficult thing because  
12 we're talking about very fine-grained decisions,  
13 ultimately, that are made by lots of individuals.

14 MR. HASKINS: It is a fine-grained thing.  
15 There are problems. But we're getting better all the  
16 time. If we continue doing it, we'll get better and  
17 better.

18 And where are we without accountability?  
19 That's the counter-question.

20 COMMISSIONER KLADNEY: Well, how will --  
21 how will the colleges and universities accept your form  
22 of accountability?

23 MR. HASKINS: If you control the purse  
24 strings, you can make them dance to your tune. The  
25 federal government certainly has a right, and so do the

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1 state governments, to say if you want our money, you  
2 have to meet these -- these criteria. That's not very  
3 difficult. The government does that all the time.

4 CHAIR CASTRO: Ms. Neal, you wanted to say  
5 something?

6 MS. NEAL: Well yes, I agree that we  
7 shouldn't let the perfect be the enemy of the good.

8 We also might take some examples from  
9 what's happening in the states, and I don't know the  
10 details to a great deal, but I believe in Wyoming and  
11 in Massachusetts they have a setup where students take  
12 a particular test, and based on how they are assessed  
13 in terms of college readiness, it will give them access  
14 to a community college, it will give them access to a  
15 four-year, so that it is actually calibrated in a more  
16 nuanced system so that if someone needs, for example,  
17 more remediation, that student then gets state aid to  
18 go into the community college, which is a much cheaper  
19 way to deliver remediation, and then ultimately can  
20 succeed there and move into the four-year.

21 So it is a graded system that's designed  
22 to take students where they are, not push them ahead  
23 to a four-year school for instance when they are not  
24 college-ready, but to give them access to college  
25 post-secondary education at a level where they can more

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1 likely succeed and then continue to move up if they do  
2 so.

3 CHAIR CASTRO: I'm going to move on to  
4 Commissioner Achtenberg, and then the Vice Chair.

5 COMMISSIONER ACHTENBERG: I'd like to  
6 take us back to where we started.

7 If the achievement of the baccalaureate  
8 degree from a -- an accredited university is the goal  
9 -- is one of the goals, I am not saying certificates  
10 that lead to middle-income jobs and the resurgence in  
11 advanced manufacturing that we also want to be  
12 promoting, and all -- there's a lot of other good things  
13 going on, and technical training of all kinds could make  
14 us more -- could make students, some students who choose  
15 to pursue that much more employable, with skills that  
16 are translatable and career paths that are pursuable,  
17 and all that is absolutely true, and this is not meant  
18 to suggest everyone should go to college or only the  
19 four-year degree is the only thing we need to be focused  
20 on.

21 It happens to be what this hearing is  
22 focused on, and trying to figure out whether or not the  
23 federal investment that is being made could be made  
24 better by focusing on practices that work in  
25 institutions that have shown by virtue of enrollment,

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1 persistence, and current graduation rates that they  
2 have an inclination, some level of expertise, and a  
3 commitment to graduating students in general, and  
4 specifically, to addressing some of the gaps in  
5 attainment that we see in particular communities, which  
6 of course that being the particular issue of concern  
7 to the United States Commission on Civil Rights.

8 So having said that, all of these other  
9 things are of concern, and, you know, certainly are  
10 truly the case, with regard to that particular issue,  
11 if there were to be reformulation, reallocation of  
12 existing dollars to some extent, so we're not talking  
13 about more money, let's just talk about how we might  
14 spend the current assessment better to achieve the  
15 outcome of more baccalaureate degrees in general. As  
16 you said, we need that. And we also need more  
17 achievement in underachieving communities.

18 We need both those things, so that's my  
19 proposition. To the extent that we need both those  
20 things, and we have the opportunity to reallocate  
21 existing dollars, Mr. Haskins and then Ms. Siqueiros,  
22 what would you focus those dollars on?

23 You've said we have accountability, and I  
24 -- I don't disagree that we shouldn't be paying for  
25 things we're not getting, or conversely, we want to pay

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1 -- we'd even be willing to pay more if we were getting  
2 the thing that we wanted, right?

3 I mean, so accountability is extremely  
4 important. Focusing on outcomes, I agree with that as  
5 well. Not so much inputs, but who is achieving the goal  
6 here? What other things might that money be focused  
7 on to get better outcomes?

8 MR. HASKINS: Yeah, I -- I have a very  
9 simple answer. It's already been given, and one of my  
10 recommendations was that states should base more of the  
11 money that they give to schools on performance, and  
12 performance should be graduation rates and employment  
13 and wages. Those are the main outcomes that we're  
14 looking for.

15 And the system would be skewed so that if  
16 you could do that, achieve those ends: graduation  
17 rates, employment, and wages, with kids from low-income  
18 families, that you would get some kind of extra credit,  
19 you would get extra money of some sort.

20 That's the way I would do it.

21 COMMISSIONER ACHTENBERG: Thank you.

22 Ms. Siqueiros?

23 MS. SIQUEIROS: I think the answer to your  
24 question is yes, the federal investment in higher  
25 education in this country can help address these issues

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1 of either producing more graduates, if that's a defined  
2 goal -- you know, the investment has multiple goals,  
3 right? So I think probably the first step is do we get  
4 commonality around -- do we have a common goal that  
5 increasing baccalaureate attainment is important, that  
6 closing the gaps and not doing it in 300 years is  
7 important amongst our diverse populations, and  
8 ensuring that everyone, regardless of income status,  
9 has access to a higher education is important?

10 If the answer to those three questions is  
11 yes, then the investments could be targeted in a way  
12 that we ask the next question, which is how do we scale?

13 Because we could invest and continue to  
14 invest a lot of resources in private institutions that  
15 have, you know, good results but aren't necessarily  
16 scalable, or we could focus more of our resources on  
17 comprehensive universities that will have greater  
18 scale in terms of producing graduates that we need, and  
19 going back to your question, Commissioner, around  
20 what's most important, I think all three of those things  
21 are important, but certainly having transparency so you  
22 can have accountability around the outcomes that you  
23 want with your resources is clearly important.

24 And I would just add to what Mr. Haskins  
25 has said, is that you do have to be thoughtful about

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1 what that accountability looks like, but I don't think  
2 that it's too much to say that every institution that  
3 gets federal resources should be demanded to improve  
4 their graduation rates and close their gaps at their  
5 institutions, and do a better job than they did the year  
6 before.

7 But until we articulate that as a goal and  
8 hold the purse string to achieve that, I am not sure  
9 that that is going to happen.

10 CHAIR CASTRO: Thank you.

11 Madam Vice Chair, you have the last  
12 question?

13 VICE CHAIR TIMMONS-GOODSON: Thank you  
14 very much -- thank you very much, Mr. Chair.

15 This is for Mr. McCluskey and Mr. Haskins.  
16 I have been following the arguments that we've been  
17 hearing regarding outcomes and accountability, and at  
18 one point, Mr. McCluskey, it seemed that you were saying  
19 that you would measure success by graduation, jobs,  
20 wages, and then you went on to put a value, I think you  
21 threw out \$50,000, in terms of income.

22 And I guess what I found myself thinking  
23 is that when we're talking about educating and an  
24 educated citizenry, must we put an income, a wage value  
25 on it? Understanding, of course, that there are many

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1 occupations and roles and services that our states and  
2 our federal government needs that there's just not a  
3 -- a real big value, income, placed on them.

4 You weren't saying that there is not  
5 success if you fail to make after attending college and  
6 graduating x number of dollars, were you?

7 MR. McCLUSKEY: I don't think it was --

8 CHAIR CASTRO: Your microphone?

9 MR. McCLUSKEY: I don't think I was the one  
10 who said it, I was the one who was saying there should  
11 be no measures because I don't want accountability,  
12 which is not the thing, I do want accountability.

13 (Laughter.)

14 But it actually does bring up an important  
15 point, so a lot of what we talk about are the outcomes,  
16 and we're not actually -- there doesn't seem to be  
17 agreement about what the outcomes should be. Should  
18 it be graduation rates? Should it be what you earn as  
19 you get older?

20 But one of the things that concerns me is  
21 in the State of Florida, a year or two ago, the governor  
22 said, you know, should we really be spending money to  
23 produce anthropologists?

24 VICE CHAIR TIMMONS-GOODSON: And that's  
25 the reason I ask that question, because that same

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1 argument has been made by some of our leaders in the  
2 State of North Carolina. We have put, is a liberal arts  
3 education worth anything?

4 MR. McCLUSKEY: And that concerns me  
5 because I don't think that a lot of education is  
6 something that you necessarily monetize.

7 But I am very sympathetic to the huge  
8 concern that we spend a -- a gigantic amount of money  
9 on higher education. We don't seem to be getting  
10 anything like commensurate outcomes.

11 But this is why I think, and this becomes  
12 counter-intuitive, a lot of the problem is we have a  
13 lot of money that comes from somebody other than the  
14 student when they consume education, so they may decide  
15 I'll study anthropology for four years because it  
16 doesn't seem to be costing me anything, and maybe I just  
17 want to do four years of college.

18 So there is a balance there, but I  
19 absolutely don't want to go to a system where you  
20 essentially have a bureaucracy say if you don't earn  
21 \$50,000 within three years of graduating, then there  
22 was something wrong with your education.

23 MS. SIQUEIROS: Can I just add a quick  
24 point?

25 You know, I -- I am all for institutions

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1 and students having skin in the game, but one could make  
2 the opposite argument, that high-income students don't  
3 have any skin in the game when their parents fund their  
4 college education, and I don't think anybody would  
5 object to having parents fund their kids' college  
6 education.

7 So I think we need to be careful that we're  
8 not putting additional barriers for low-income folks  
9 that really shouldn't have to put anything in because  
10 if your family is barely surviving on \$16,000 a year,  
11 why should you have to put anything into your college  
12 education?

13 CHAIR CASTRO: Okay, well that concludes  
14 this panel. Thank you, everyone. We appreciate it.

15 We're going to now take a few minute break  
16 until 2:45, and then we'll come back on the record with  
17 the final panel of the day. Thank you.

18 (Whereupon, the briefing went off the  
19 record at 2:32 p.m. and resumed at 2:45 p.m.)

20 **PANEL IV**

21 CHAIR CASTRO: Okay, it's 2:45, and we're  
22 going to bring back on the record our briefing for the  
23 fourth and final panel of the -- not only of the day,  
24 but of the briefing.

25 Before I swear you all in, for the purposes

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1 of identification, I'll introduce you all.

2 I think most of you were also here earlier,  
3 but just in case, you each have seven minutes to speak.  
4 A system of warning lights will guide you: green go,  
5 yellow you've got two minutes to wrap up, and red we  
6 will then begin to ask you some questions.

7 So our first panelist this afternoon is Ms.  
8 Megan McClean with the National Association of Student  
9 Financial Aid Administrators.

10 Our second panelist is Dr. Richard Vedder  
11 with the Center for College Affordability and  
12 Productivity.

13 And our third panelist is Ms. Elizabeth  
14 Baylor with the Center for American Progress.

15 Actually, Mr. Goode is not here yet, so  
16 we'll continue when he arrives, we'll introduce him.

17 I want to ask the panelists to raise their  
18 right hands and swear and affirm that to the best of  
19 your knowledge and belief, the information that you're  
20 about to provide to us is true and accurate. Is that  
21 correct?

22 (Chorus of affirmative responses.)

23 CHAIR CASTRO: All right. Ms. McClean,  
24 you have the floor.

25 MS. McCLEAN: Great, thank you.

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1 Good afternoon to the members of the  
2 Commission.

3 CHAIR CASTRO: Your microphone? You need  
4 to press the --

5 MS. McCLEAN: Okay --

6 CHAIR CASTRO: -- button there, thanks --

7 MS. McCLEAN: -- thank you.

8 CHAIR CASTRO: I should've mentioned  
9 that, I am sorry.

10 MS. McCLEAN: We'll try again.

11 Good afternoon, and thank you for inviting  
12 me to speak today on behalf of the National Association  
13 of Student Financial Aid Administrators, or NASFAA.

14 NASFAA represents more than 3,000 public  
15 and private universities and trade schools across our  
16 nation. Collectively, NASFAA members serve 90 percent  
17 of all federal student aid recipients.

18 Focusing specifically on the Title IV  
19 federal student financial aid programs, a central tenet  
20 of NASFAA's mission is to advocate for public policies  
21 that increase student access and success in  
22 post-secondary education, particularly for low-income  
23 students.

24 We know that financial aid has an impact  
25 on access and persistence, as just under 75 percent of

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1 Pell Grant recipients in the 2012-2013 academic award  
2 year had a family income of less than \$30,000. We also  
3 know that we need to do a better job of enrolling and  
4 supporting traditionally under-represented students,  
5 as they continue to represent a small portion of  
6 enrollment compared to white students in  
7 baccalaureate-granting institutions.

8           Knowing this context, we should be  
9 considering improvements to the federal financial aid  
10 programs with an eye toward how they may best serve the  
11 students who are most at risk.

12           In the short time I have with you today,  
13 I will share with you some policy concerns and  
14 recommendations related to two different areas of the  
15 federal student aid programs: first, the federal Pell  
16 Grant Program, and second, the federal campus-based aid  
17 programs.

18           The Pell Grant Program is widely known, as  
19 many of you know, as the cornerstone of the federal  
20 student aid programs. Today, though, there is a need  
21 to examine the Pell Grant Program with an eye toward  
22 making sure the program is meeting its original and  
23 intended goal.

24           For example, according to the Pell  
25 Institute, in its first full award year, 1976-1977, the

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1 maximum grant was \$1400, which covered approximately  
2 72 percent of the cost of attendance at a four-year  
3 public institution.

4 Starkly, the maximum Pell Grant for this  
5 current academic award year is \$5,730, representing  
6 only 36 percent of the cost of attendance at a four-year  
7 institution. The decrease in purchasing power is  
8 dramatic.

9 Although the program has seen increases  
10 over the past several years for which we are grateful,  
11 covering only 36 percent of the cost of attendance at  
12 a four-year public institution no longer provides  
13 access to a four-year post-secondary education for our  
14 lowest-income students.

15 While the program generally provides  
16 adequate funding for a community college, we should be  
17 focused on how to make direct access to four-year  
18 institutions an option for qualified low-income  
19 students. Without this option for these students, we  
20 are hindering opportunity, economic mobility and  
21 growth, and our nation's national competitiveness.

22 In addition to recommending more funding  
23 for the program, we also recommend making the Pell Grant  
24 Program more flexible, particularly for  
25 non-traditional learners.

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1           The legislation and regulation currently  
2 governing the Pell Grant Program are very much geared  
3 toward the student entering college at 18 years of age  
4 at a traditional four-year brick-and-mortar school and  
5 program.

6           We know that many low-income students do  
7 not fit this traditional mold. For example, some don't  
8 start right after high school, some begin or return as  
9 adult learners, and some are not able to enroll  
10 continuously due to financial or family obligations.

11           NASFAA has a series of recommendations  
12 that would make the Pell Grant Program more flexible  
13 and thereby increase access and success for low-income  
14 students, and I will briefly outline two of them.

15           The first one is called the Pell Well.  
16 This pot of funds, or Pell Well, would be available for  
17 students to draw down from as needed until the student  
18 either completes the academic program or runs out of  
19 Pell funds rather than allotting a certain amount of  
20 Pell dollars for each award year.

21           For example, under the current structure,  
22 a student attending a college continuously through the  
23 fall, spring, and summer semesters would temporarily  
24 run out of Pell funds at a certain point because there  
25 are only so many Pell dollars allowed per award year.

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1 In that so-called gap semester before their Pell  
2 eligibility resumes, the student is faced with turning  
3 to student loans, attempting to work and attend school  
4 simultaneously, or perhaps even drop out.

5 A Pell Well would help to mitigate some of  
6 these negative consequences.

7 The second proposal is providing a federal  
8 Pell Promise. A Pell Promise would act as an early  
9 commitment program for the Pell Grant Program. The  
10 Pell Promise would teach students as early as ninth  
11 grade about Pell Grants by notifying them of how much  
12 Pell Grant funding they will be able to receive in the  
13 future and a guarantee of that amount, if they complete  
14 high school successfully.

15 We believe strongly that making the Pell  
16 Grant Program more flexible and continuing to advocate  
17 for increased funding will help this country move the  
18 needle on access and success for low-income and at-risk  
19 students.

20 I will now talk about the federal  
21 campus-based programs, which are a critical piece of  
22 student financial aid and include the Federal  
23 Supplemental Educational Opportunity Grant, Federal  
24 Work Study, and the Federal Perkins Loan Program.

25 All need-based, these programs are deemed

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1 campus-based because even though they are federal  
2 funds, the funds are allocated directly to  
3 participating institutions based on a formula, and the  
4 institutions then determine using federal guidelines  
5 which of their students receive the funds as well as  
6 those award amounts.

7 The formula, the place where many believe  
8 that the inequity exists, is based on two principles:  
9 first, the fair share portion of the formula, which  
10 primarily calculates the amount of funds an institution  
11 receives based on the relative need of their students,  
12 and second, a base guarantee that ensures that  
13 participating institutions receive at least as much as  
14 received in prior years.

15 As a result of the latter, a portion of the  
16 funding is dedicated to maintaining traditional  
17 funding levels at specific institutions. It does not  
18 necessarily reflect the national need.

19 This has the effect of some institutions  
20 receiving higher allocations simply because they have  
21 been in the program longer.

22 This funding pattern does not reflect  
23 growth or shifts amongst students or across  
24 institutions, creating a situation where  
25 under-resource institutions often have fewer access to

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1 those dollars than institutions that have more  
2 resources.

3 Consequently, NASFAA has made the  
4 following recommendation to change the way that the  
5 funds in the campus-based program are allocated to  
6 institutions so that they will become more targeted to  
7 low-income, needy schools and students.

8 We propose an elimination of the base  
9 guarantee and that we rely solely on a fair share  
10 funding model. This would eliminate the current model  
11 that is based in part on historical allocation and  
12 introduce more fairness into the program by basing the  
13 allocation on the institutional need instead.

14 In closing, I want to thank you for the  
15 opportunity to discuss some of these programs and  
16 challenges that exist, particularly for low-income  
17 students. We are happy to provide additional  
18 information and of course to work with the Commission  
19 in the future. Thank you.

20 CHAIR CASTRO: Thank you.

21 Mr. Vedder?

22 MR. VEDDER: Yes, thank you.

23 CHAIR CASTRO: There you go.

24 MR. VEDDER: Yeah, I am technologically  
25 inept, I only have a PhD.

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1           This oral presentation is expanded  
2 somewhat in an accompanied written statement. It is  
3 conventional wisdom that greater participation in  
4 higher education is necessary for social economic  
5 achievement and achievement of the American Dream, and  
6 it's true that on average, Americans with four-year  
7 degrees earn dramatically more than those with a high  
8 school education, and that the college earning  
9 differential is a good deal larger today than it was  
10 at the time that the Civil Rights Act of 1964 passed.

11           That said, however, my message today is  
12 that a higher education is no panacea for eliminating  
13 disparities in income and wealth between individuals  
14 based on group characteristics such as race and gender.

15           A fervent drive to increase educational  
16 attainment among minority groups will likely lead to  
17 disappointment, as, in some sense, it already has.

18           Let us look at African Americans. In  
19 1970, for every 100 whites enrolled in American  
20 colleges, there were 11 blacks. By 2013, there were  
21 25, a dramatic growth in educational access by African  
22 Americans.

23           Yet the narrowing of income differentials  
24 between blacks and whites has been very modest. For  
25 example, black household income rose by 2-5 percentage

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1 points relative to whites from 1980 to 2013, depending  
2 on the statistic used, for maybe 60 percent to 65  
3 percent, for example, eliminating 10 or 12 percent of  
4 the differential.

5 The fact remains that increased  
6 educational attainment among blacks has succeeded in  
7 eradicating only a very small proportion of racial  
8 income differentials, and the future prospects of doing  
9 so in the future do not appear to be particularly good.

10 And the question is why is this so? And  
11 first of all, the evidence is clear that the proportion  
12 of important minority groups like African Americans and  
13 Hispanics entering college that actually graduate  
14 within six years is below the already abysmal national  
15 average of about 60 percent.

16 Schools under pressure to admit minorities  
17 often accept students with low prospects for success.  
18 Special remediation education programs have had  
19 relatively low success rates. We have many urban  
20 universities with high minority participation where  
21 far more students drop out than graduate within six  
22 years.

23 A contributing factor, no doubt, is the  
24 generally inferior quality of the inner city public  
25 secondary education, leading to students being

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1 admitted to college who are at best marginally  
2 qualified. Colleges brag about high minority  
3 enrollments but often are guilty of luring students  
4 with very low realistic probabilities of success.  
5 They gain bragging rights and tuition revenues but  
6 leave many students deep in debt with no degree or  
7 high-paying job.

8 Second, merely graduating from college  
9 provides no assurance of a good future income. Growing  
10 evidence shows that a large proportion of recent  
11 college graduates are underemployed performing jobs  
12 where a majority of jobholders have high school  
13 diplomas.

14 Arum and Roksa in *Aspiring Adults Adrift*  
15 found that one-fourth of college graduates are living  
16 with their parents two years after graduation, and a  
17 majority still receive some financial support from  
18 their parents.

19 Moreover, as the proportion of adult  
20 Americans with bachelor's degrees or more approaches  
21 one-third, the mere receipt of a degree no longer  
22 necessarily indicates a person with above-average  
23 skills and abilities. Employers are becoming more  
24 particular. The high college earnings premiums still  
25 applies to the graduates of the elite, mostly private

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1 schools who get good managerial, technical, and  
2 professional jobs, but those earning premiums are far  
3 less to graduates of schools of lesser reputation,  
4 schools where minority representation is historically  
5 very high.

6 Moreover, earnings of college graduates  
7 vary considerably with a major field of study. Some  
8 minorities disproportionately major in fields whose  
9 graduates have relatively low post-graduate earnings,  
10 so too many students are unaware of the risks associated  
11 with college attendance.

12 I think the law of unintended consequences  
13 has operated as an outgrowth of public policies and ways  
14 that have hurt low-income persons with minority status.

15 For example, the Griggs v. Duke Power  
16 Supreme Court case emanating from the '64 Civil Rights  
17 Act unintentionally increased the value of college  
18 diplomas by reducing the ability of firms to use  
19 alternative ways of certifying worker competency,  
20 thereby allowing colleges to raise fees more  
21 aggressively, as did the various federal student  
22 financial programs emanating out of the Higher  
23 Education Act of 1965.

24 The FAFSA form, the hated FAFSA form,  
25 enacted to help disburse financial aid, has

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1 disproportionately turned off minority group members  
2 bewildered by the form's complexity. I worry that on  
3 balance, burdening the -- we are on balance burdening  
4 African Americans and Hispanics by overselling the  
5 gains and understating the risks associated with going  
6 to college.

7 Colleges should have skin in the game,  
8 sharing in the adverse financial consequences  
9 associated with college dropouts falling to  
10 delinquency on a large amount of college debt.

11 Noble intentions were behind the Civil  
12 Rights Act of the 1960s, and arguably, some real gains  
13 have occurred. For example, with respect to gender  
14 equity, it is men, not women, who are now very  
15 significantly under-represented in colleges.

16 But putting aside past accomplishments, an  
17 honest appraisal suggests to me that an unrealistic  
18 promotion of college participation may now do  
19 minorities more harm than good.

20 Thank you very much.

21 CHAIR CASTRO: Ms. Baylor?

22 MS. BAYLOR: Thank you, members of the  
23 Commission, for inviting me to be part of this  
24 discussion.

25 I am the Associate Director of

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1 Post-Secondary Education Policy at Center for American  
2 Progress --

3 CHAIR CASTRO: Could you move a little  
4 closer --

5 MS. BAYLOR: Oh sure, sorry.

6 Center for American Progress, or CAP, is  
7 an independent non-partisan policy institute, and we  
8 are dedicated to creating new policies with bold,  
9 progressive ideas. We believe access to quality,  
10 affordable education beyond high school is a critical  
11 part of enabling our citizens to have economic mobility  
12 and to make sure that our economy grows with sort of  
13 shared prosperity.

14 Today, I will describe our policy ideas for  
15 improving the higher education system, and  
16 particularly, how it serves people of color.

17 The three policy areas that I am going to  
18 discuss are increasing the federal and state investment  
19 in public colleges; guaranteeing that students will  
20 receive financial aid -- enough financial aid to pay  
21 for college up front; and making sure that students are  
22 prepared to do college work when they enter college and  
23 then receive support from their institution to meet  
24 their academic goals.

25 First, I'd like to set the stage a little

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1 bit. This might not be news to you, as this is the last  
2 panel of the day, but since 1970, the 1970s, we've made  
3 significant investments in Pell Grants and student  
4 loans to make more -- more Americans able to pay for  
5 college.

6 These programs have paid dividends. The  
7 college-going rate has increased by more than a third  
8 since the 1970s, and it has increased particularly for  
9 low-income, middle-income, and students of color.

10 At the same time, our higher education  
11 system is becoming more diverse. In 1976, people of  
12 color were 16 percent of the higher education system.  
13 Today, they are happily 40 percent. Part of this  
14 increase is because our citizenry is becoming more  
15 diverse, but also because of the increased  
16 participation rates among people of color.

17 But at the same time, there are troubling  
18 signs that people of color are not able to access some  
19 of our most well-resourced universities.

20 Research universities, as categorized by  
21 the Carnegie Classification system, are some of our  
22 most well-resourced and academically rigorous  
23 programs. During the fall of 2012, students of --  
24 undergraduate students of color at public colleges were  
25 37 percent of the degree enrollment, but at these

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1 research universities, they were 29 percent, and  
2 students of color were 41 percent of the students at  
3 two-year colleges. So you see a -- a disparity there.

4 And overall, of the 150 public research  
5 universities, only 9 of them are institutions that have  
6 a specific mission of serving communities of color,  
7 Hispanic -- Hispanic-serving institutions, tribal  
8 colleges, minority-serving institutions, and  
9 historically black colleges.

10 So the first step for addressing some of  
11 these inequities is to look at the cuts that have  
12 happened to public education. After the recession in  
13 2008, many state governments had to cut back their  
14 funding for colleges. Our research has shown that 29  
15 states decreased their overall, their total investment  
16 in higher education, and 44 states decreased their  
17 investment on a per-student basis.

18 We also found that institutions that  
19 served a higher proportion of students of color had --  
20 were particularly hard hit in these -- in these -- with  
21 these cuts, so one of the things that CAP has proposed  
22 to sort of address this situation is a program we call  
23 the Public College Quality Compact.

24 This would be a federal matching program  
25 that would jumpstart a reinvestment in state colleges.

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1 We believe that it is -- it -- without this kind of  
2 reinvestment, we're not going to see the gains that we  
3 need.

4 Under our proposal, states would be  
5 eligible for federal matching funds if they invested  
6 at least as much as the maximum Pell Grant per student,  
7 and that we would give extra bonus funds for serving  
8 students -- Pell Grant students and G.I. Bill students.  
9 This provision would be explicitly aimed at increasing  
10 the investment in -- in institutions that serve  
11 students of color.

12 The second piece that we -- I wanted to talk  
13 about is our College For All proposal. We want to make  
14 the funding guarantee for going to college much more  
15 certain.

16 We think that education beyond high school  
17 needs to be universally available, and that needs to  
18 cover tuition and fees, living expenses, and making  
19 sure that -- that students know going into high school  
20 that this award aid will be -- be available to them,  
21 very similar to the Pell Promise.

22 We think that that is important because  
23 students will know in high school that they -- that  
24 college is available to them, and we want to see more  
25 high school students taking a college preparatory

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1 curriculum.

2 And then finally, I would like to talk  
3 about what happens when a student gets to school. It's  
4 really important that students receive support from the  
5 institution that will make it less risky for them to  
6 attend.

7 That includes bridge programs that -- that  
8 have shown to boost student progress and student  
9 success, and the other piece that we think is really  
10 important are learning communities, which are  
11 interventions where students have shared values,  
12 shared -- shared work, and they know that other -- other  
13 people are participating in the program with them, they  
14 have folks to -- students to interact with, they have  
15 professors who are -- who are tracking their progress.

16 So in conclusion, I thank you again for  
17 having me, I am happy to answer any questions, and I  
18 am happy to provide follow-up information.

19 CHAIR CASTRO: Great. The Chairman will  
20 lead with the questions this time, Commissioner, and  
21 then I'll hand it over to you.

22 Mr. Vedder --

23 MR. VEDDER: Yes.

24 CHAIR CASTRO: -- I read and then listened  
25 to you with great interest on -- on what you conclude,

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1 what your position is, and very similar to what Mr.  
2 Clegg, Roger Clegg, said yesterday, as did Stephan  
3 Thernstrom, and that is, you know, minorities -- and,  
4 you know, I agree that there's individuals that may not  
5 want to go to college, that may not be right for college,  
6 that there may be other opportunities for, but you all  
7 tend to make these blanket statements as you did in your  
8 concluding remarks that minorities shouldn't really  
9 try for this because they're going to be disappointed.

10 And you point to the fact that the wealth  
11 gap has not been narrowed for blacks and whites since  
12 the 1960s, and then you say they come to school not --  
13 they come to higher education not prepared because the  
14 system, K-12, didn't prepare them well.

15 But you're blaming a community for a -- a  
16 playing field that was set by discrimination in the past  
17 and discrimination in the present.

18 As Fabian Pfeffer from the University of  
19 Michigan very eloquently put yesterday to Mr. Clegg on  
20 this point, the fact that wealth is such a huge divide,  
21 particularly with African American communities, he  
22 said up until the 1950s, they were prohibited from  
23 purchasing the asset of a home, which by and large is  
24 the main asset of wealth for minorities, because of  
25 discrimination.

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1           And when you look at the school systems  
2           that these communities find themselves in, they are  
3           based on schools and communities that have a tax base  
4           that is virtually non-existent compared to the  
5           wealthier whiter communities, so they have schools that  
6           are under-resourced, they have schools that don't have  
7           access to Advanced Placement and college preparatory  
8           courses, so to the extent that these students may be  
9           hamstrung, it is because of a system that has been  
10          rigged that way, in my estimation.

11           And then to say, well they have only made  
12          -- you know, they have come from here to 25 and they  
13          haven't reached 100, so why even bother, seems to me  
14          to be very -- an inappropriate way to address this  
15          issue.

16           If those are the concerns, we shouldn't be  
17          saying, well, you know what, you guys are just never  
18          going to hit that 100 mark, you're only at 25, you  
19          shouldn't even try, and that seems to me to be closing  
20          off an opportunity for a group of people based on their  
21          status, as you said, minorities shouldn't even try.

22           I mean, you must value your Northwestern  
23          degree and your PhD from the University of Illinois.  
24          God knows I value my law degree from the University of  
25          Michigan because I know that it opened doors for me that

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1 I would not have had had I gone to a less prestigious  
2 school.

3 So to say, as a blanket, that minorities  
4 shouldn't try for the prestigious because it might be  
5 hard, yeah, you know what, maybe I got a little bit more  
6 Bs in Michigan than I would have had I gone to a local  
7 school that didn't have prestige and maybe I'd have come  
8 out of there A+ and, you know, Order of the Coif, but  
9 you know what, Baker & McKenzie would have never hired  
10 me if I hadn't come from a prestigious school.

11 So I think we are setting up --

12 COMMISSIONER HERIOT: Mr. Chairman, I  
13 think you are misrepresenting what Dr. Vedder --

14 CHAIR CASTRO: I think --

15 COMMISSIONER HERIOT: -- said.

16 CHAIR CASTRO: I think we're setting up  
17 our minority communities for something -- for failure,  
18 based on past failures that the system has already set  
19 them up for.

20 COMMISSIONER HERIOT: Again, you're  
21 misrepresenting what Dr. Vedder --

22 CHAIR CASTRO: Well he will answer --

23 COMMISSIONER HERIOT: -- said.

24 CHAIR CASTRO: -- whether I am saying that  
25 or not, so that's how I interpreted his --

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1 MR. VEDDER: Well, I would agree with  
2 Commissioner Heriot.

3 But -- and let me -- well, let me say this.

4 If my testimony came off as saying I don't  
5 think blacks or Hispanics or whatever minority group  
6 should try because there is something of that nature,  
7 anything of that nature, that certainly was not the  
8 intention, nor do I think it was really expressed in  
9 my testimony.

10 Let's actually look at the -- I think the  
11 failure for minorities is -- is a failure of public  
12 policy. I think public policy is hurting minorities  
13 in unintended ways.

14 Let me, without using black, Hispanic, or  
15 names that might be inflammatory, let's talk about  
16 income.

17 What percentage of college graduates today  
18 come from the bottom quartile of the income  
19 distribution? We know that the bottom quartile  
20 disproportionately includes minorities, but not --  
21 let's not put it in minority/majority, let's put it in  
22 terms of income.

23 In the bottom one-fourth of the income  
24 distribution, in the last few years, about 10 percent  
25 of the graduates come from that -- that group of people.

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1 That's 25 percent of the population, but they are only  
2 10 percent of the graduates.

3 What was it in 1976, the first year the Pell  
4 Grant was made? 12 percent. It was higher then than  
5 today.

6 Someone at my -- one of my colleagues said,  
7 well gee, the Pell Grants haven't kept up. We've gone  
8 from 60, what is it, 62 percent to 38 percent in terms  
9 of funding.

10 CHAIR CASTRO: 72 to 36.

11 MR. VEDDER: 72 to 36. But we also went  
12 from \$1400 to \$5700. In the real world, which is to  
13 say outside of higher ed, in the rest of the world, the  
14 price of bread tripled. The price of housing tripled.  
15 The price of food tripled. In real terms, the way the  
16 Bureau of Labor Statistics one mile away from here, less  
17 than a mile away from here, calculated, the Pell Grant  
18 has gone up 30 or 40 percent.

19 Well, why isn't it covering this much?  
20 It's because colleges have raised their tuition. Why  
21 aren't you looking at that? Why aren't you looking at  
22 -- at the producers of these services, what they are  
23 doing? They are exploiting people.

24 They are taking these financial aid  
25 programs and they're raising fees. That hurts all

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1 people, but it hurts minorities more, it hurts blacks  
2 more, and I'm not saying gee, therefore blacks  
3 shouldn't go to college. No. I am saying they're --  
4 they're being ripped off more, relatively speaking.

5 And that is the -- the thrust of what I  
6 wanted to say.

7 CHAIR CASTRO: Okay, we are going to look  
8 at that because we actually did have some testimony on  
9 that yesterday, so that issue is going to be something  
10 we look at, but that's not what I interpreted your  
11 remarks, both written and oral, to be.

12 Commissioner Achtenberg?

13 COMMISSIONER ACHTENBERG: I wanted to  
14 talk with Ms. McClean about your observations regarding  
15 the campus-based aid programs.

16 So you -- SEOG as well as college work  
17 study, as -- and there is a third program --

18 MS. McCLEAN: The Federal Perkins Loan  
19 Program --

20 COMMISSIONER ACHTENBERG: Perkins Loan,  
21 yeah.

22 Could you talk about each of those in turn  
23 and whether or not the other two as well are ripe for  
24 reform, and in the case of college work study, not just  
25 the allocation, but whether or not increases in college

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1 work study might be a smart investment if our goal was  
2 to empower students in general who are already in  
3 college to achieve the baccalaureate, and any  
4 observations you might have about whether or not there  
5 is anything pertinent, in particular, to persistence  
6 and degree attainment on the part of racial minorities?

7 MS. McCLEAN: Absolutely, and I will start  
8 by saying something I didn't mention in my testimony  
9 is that many of you may know that the campus-based  
10 programs are, I think, kind of on the chopping block  
11 as we approach this upcoming reauthorization, so I want  
12 to state firmly that we at NASFAA find them very  
13 valuable because of that campus-based nature, I think  
14 that that's an important thing for me to say.

15 I'll go through them individually as you  
16 asked. The first one, the Supplemental Educational  
17 Opportunity Grant, which is designed to be -- to  
18 supplement the Pell Grant Program really is what it  
19 does, and that is a grant-based program, and the aid  
20 administrator does have flexibility to sort of look at  
21 their pool of students and decide who gets those  
22 additional funds within federal parameters.

23 And so most institutions will try in some  
24 way, shape, or form to allocate that fund -- those funds  
25 to Pell Grant recipients.

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1 I think that's a program that works very  
2 well right now, so in terms of it being ripe for reform,  
3 I think we'd like to see more money in it, but I think  
4 to the extent that it supplements in its grant dollars,  
5 it's doing a good thing right now.

6 The Federal Perkins program, I think, you  
7 know, we could always look at expanding that program.  
8 Right now, it's a relatively small program. It's a \$1  
9 billion program, and we think about that in terms of  
10 the Pell Grant program, for example, that is very small.

11 And so I think what we might look at is  
12 expanding that program to get more institutions into  
13 it so that more can participate.

14 And the Federal Work Study program is a  
15 program with a tremendous amount of goodwill, both on  
16 Capitol Hill, but with, you know, financial aid  
17 administrators and most folks in our community, and I  
18 would say with that, we would love to see more funding  
19 in that program, and certainly that helps students as  
20 they get those paychecks throughout the semester, but  
21 you asked specifically about other benefits, and there  
22 really has been research to show that it really does  
23 connect students to the institution if they can have  
24 a job that they go to and they get kind of intertwined  
25 and have the supervisor they're working with, so

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1 there's been research to show that, and then certainly  
2 for a lot of students that is their first real job  
3 experience, and they rely on that heavily when they  
4 graduate on their resumes and in trying to get their  
5 first jobs.

6 COMMISSIONER ACHTENBERG: We heard  
7 testimony on the part of Chancellor White of the  
8 California State University that in particular,  
9 college work study was a -- a very important part of  
10 not only making the student connected to the  
11 university, but also enabling the student perhaps to  
12 have an opportunity to do an internship inside the  
13 university or to undertake to become a lab assistant  
14 or something like that with college work study funds,  
15 and that makes the person more likely to persist, to  
16 achieve, to -- to graduate.

17 MS. McCLEAN: Yes.

18 COMMISSIONER ACHTENBERG: So he -- he was  
19 also an advocate of targeted work study, and so that  
20 -- that is pretty consistent with -- with his testimony.

21 I am wondering, Ms. Baylor, if some of the  
22 recommendations that Ms. McClean is making ring true  
23 for your organization, and if you could comment on that.

24 MS. BAYLOR: Absolutely. We -- I agree  
25 that the -- the work study program should be -- connect

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1 students to universities and that it helps give them  
2 work experience to take into after school.

3 We also in particular would like to see an  
4 expansion of anything that would connect -- jobs that  
5 connect the student to their academic work --

6 COMMISSIONER ACHTENBERG: Yes.

7 MS. BAYLOR: -- in particular, to make  
8 sure that students who have economic need also have the  
9 time and the opportunity to, if they can't afford to  
10 do an unpaid internship that gives them a leg ahead,  
11 want to make sure that there is an opportunity for them  
12 to do work that connects them to their academic work  
13 related to SEOG, we would like to -- our general --  
14 general recommendation is that we need to have more aid  
15 that is not paid back, right, especially for students  
16 at the low end of the income scale.

17 We want them to understand that a college  
18 education is something that they can attain, especially  
19 because the jobs and the economy require these skills.

20 COMMISSIONER ACHTENBERG: Well, we heard  
21 testimony from King Alexander regarding the funding  
22 formula for SEOG, and his observation was pretty  
23 consistent with yours when you said that the -- one of  
24 the components is the sort of that whole "harmless"  
25 clause where you -- you give the -- their base -- you

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1 give them the base that they had the year before, so  
2 the older institutions that had need when the program  
3 was created and have been outpaced enormously by newer,  
4 faster-growing institutions, that the formula is  
5 outdated and tends to reward older institutions and  
6 give them more money.

7 We heard, in fact, a statistic, all the Ivy  
8 Leagues combined receive \$10 million in SEOG for 60,000  
9 students, whereas the California State University,  
10 which educates 400,000 students, receives \$11 million,  
11 and of their 400,000 students, almost half of them are  
12 Pell eligible, whereas the Ivy Leagues maybe under 15  
13 percent are Pell eligible.

14 So the money is being -- a large amount of  
15 money is being invested in the very small number of  
16 needy students on the one hand, and over here, you have  
17 a huge number of needy students who are getting  
18 essentially nothing now.

19 Perhaps that might be combined with some  
20 kind of outcome measurement. I mean, we heard earlier,  
21 and I -- I am sympathetic with Commissioner Kirsanow's  
22 concern that solely the measurement of inputs is not  
23 exactly where we want to be, particularly if our goal  
24 is to increase the attainment of the baccalaureate  
25 degree, both in the aggregate as well as with regard

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1 to minority underachievement.

2 But it seems to me that that SEOG, I hope  
3 it's not on the chopping block, but it certainly might  
4 be on the redistribution block if equity is going to  
5 be more readily achieved. Is that a conclusion that  
6 you would agree with, or do you take -- do you take some  
7 kind of -- is there something there that I am missing?

8 MS. McCLEAN: No, that -- I think that's  
9 correct.

10 COMMISSIONER ACHTENBERG: Mr. Vedder?

11 MR. VEDDER: Yeah.

12 COMMISSIONER ACHTENBERG: Did you have an  
13 observation --

14 MR. VEDDER: No.

15 COMMISSIONER ACHTENBERG: -- with regard  
16 to my statement?

17 MR. VEDDER: No, not -- not -- no, I -- I  
18 have no specific observation, except for one thing.

19 The base -- what do you call it? The base  
20 guarantee, everyone I know in higher ed that -- that  
21 any -- it's a political thing. It's not -- it has no  
22 rational basis, any basis, so I am in complete agreement  
23 with the statements with respect to that.

24 COMMISSIONER ACHTENBERG: Ms. Baylor?

25 MS. BAYLOR: Yes, I think that one of the

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1 things that we see systematically from state funding  
2 to this grant program is that institutions that are  
3 well-resourced end up -- end up having more students  
4 succeed, and so -- and then you see these institutions  
5 that have prestige associated with them get more money,  
6 and the institutions that are serving some of the  
7 neediest students seem to be facing the cuts first, and  
8 we need to redistribute that.

9 COMMISSIONER ACHTENBERG: I just have one  
10 quick -- your federal matching program encouraging  
11 states to reinvest, one of the primary factors for the  
12 increase in tuition, at least in state-funded  
13 institutions, I am not saying it's the only factor, but  
14 a primary factor has been the progressive disinvestment  
15 on the part of states on behalf of their state  
16 university systems. At least, that has been the  
17 phenomenon in California, and I know that has been true  
18 in other states as well.

19 How would a federal matching program work  
20 in terms of your proposal, and how does that yield  
21 increased investment on the part of the state?

22 MS. BAYLOR: So the way we would envision  
23 it is that we would create a pot of money at the federal  
24 level that states would be eligible to access if they  
25 spent at least as much per student on a Pell Grant --

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1 if their overall state investment in the public college  
2 system is equal to at least as much as a Pell Grant per  
3 student, so \$5,700.

4 Right now, running the numbers, we looked  
5 at it that 37 states are already over this bar, and  
6 another 10 states are within a couple hundred dollars  
7 of this bar, so we thought it was a bar that kind of  
8 pushed people, pushed states a little bit, but wasn't,  
9 you know, outside the realm of what seemed reasonable.

10 And -- and what we would say is that if you  
11 participate in this program, you'd be eligible for this  
12 extra funding for -- for any money that you put back  
13 into the system, the federal government will match you,  
14 and we would create -- we thought that -- we wanted to  
15 make sure that the matching supported students from  
16 backgrounds that we wanted to see succeed, and so we  
17 thought enrollment of Pell Grant -- Pell-eligible  
18 students and G.I. Bill-eligible students would be good  
19 measures to sort of redistribute this equity.

20 MR. VEDDER: May I add to my statement?  
21 You asked me a question, and I -- we give -- the federal  
22 government gives \$50,000 per pupil, or student, or  
23 more, aid to the elite private universities: the  
24 Harvards, the Yales, the Princetons.

25 When you take account endowment subsidies,

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1 special, you know, privileges for people who make  
2 donations and so forth, these are low-Pell schools with  
3 low Pell participation. These are schools that have  
4 legacy admission standards that often discriminate  
5 against minorities. I don't know why you people -- you  
6 people, that's probably a wrong term to use --

7 CHAIR CASTRO: Probably.

8 MR. VEDDER: -- the Commission doesn't  
9 look into this issue and take this up as a topic. I  
10 think it's something -- and it's something that, by the  
11 way, people on the conservative and the liberal ends  
12 of the spectrum might find some agreement on. Just a  
13 thought.

14 CHAIR CASTRO: Commissioner Narasaki,  
15 followed by Commissioner Heriot.

16 COMMISSIONER NARASAKI: Thank you.

17 So I have a couple questions. One is, so  
18 Mr. Vedder said that a college degree is not a guarantee  
19 of employment, and so but what I want to understand is  
20 -- from all of you, is it seems to me that increasingly  
21 though it's becoming a prerequisite for many jobs.

22 So is it correct to say that you will have  
23 many more opportunities for sufficient employment,  
24 paying a living wage or getting you into the middle  
25 class, if you have a college degree versus if you don't?

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1 MR. VEDDER: Well, since you mentioned my  
2 name first, I would agree with that statement.

3 College degrees, other things equal, and  
4 that's an important qualification, have -- are a ticket  
5 to -- are a better ticket to success than not having  
6 a college degree.

7 So of course, we want people to get college  
8 degrees.

9 By the way, I am -- I am the only one here  
10 who has actually -- except for some Commissioners, that  
11 actually teaches students. I am in my 51st year of  
12 teaching. I have been teaching for 51 years, so I --  
13 I am a great believer in pushing college education.

14 There is a payoff, but there's a -- but  
15 there is also a huge amount of risk associated with  
16 getting that degree. That was my point.

17 And if we don't point that out, my wife is  
18 a kindly high school guidance counselor, and she --  
19 we're the worst offenders. We tell everyone go to  
20 college, go to college, go to college.

21 CHAIR CASTRO: Not everyone.

22 COMMISSIONER NARASAKI: I think that's  
23 what -- I think that's actually what the Commission is  
24 exploring, is we are concerned that there are  
25 institutions that seem to be gaming students at the --

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1 at the expense of students and not really concerned with  
2 them graduating and being able to use education, so I  
3 am glad that you clarified it, that is very helpful.

4 The other thing I have been concerned about  
5 really the last two days, there's been a lot of focus  
6 on sort of the private good, right, of what's -- what's  
7 in it for the student to get a college education, which  
8 I think most of us agree is important to either get  
9 college or some kind of advanced degree, you know,  
10 whether it's -- whether it's vocational or something  
11 else, that these days, in this global economy, a high  
12 school degree just really isn't going to cut it for most  
13 people I think is the case. At least, that's my  
14 personal observation, and I say that as someone who has  
15 a brother who became an actor and defied all of the Asian  
16 American culture and said he wasn't going to college,  
17 so -- and he's one of the smartest people I know.

18 So obviously, you can succeed without a  
19 college degree, but it just makes it easier, I believe,  
20 if you have one.

21 So what I'd like is some observations. We  
22 have some in our written testimony. What's the public  
23 good? Aside from, of course, the hope that you will  
24 become someone who is making enough money to pay to the  
25 tax system and help drive the economy, what are some

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1 of the other goods that are associated with college  
2 degrees?

3 MS. BAYLOR: So one of the first things I  
4 think of is greater participation in our society,  
5 right?

6 You see people with education -- more  
7 education beyond high school being better at civic  
8 engagement, and I think that we'd like to see that  
9 across the board.

10 I think that because our economy, we talked  
11 about the global economy, the 21st century economy, and  
12 how close it is, it makes our country more competitive  
13 with other countries. That's not just the consumer  
14 angle that I have more tax dollars to -- or I have more  
15 income to consume, it just makes our -- because --  
16 because job creators can move their jobs anywhere  
17 around the world, it's easier for them to move their  
18 jobs around the world, and if we have the type of workers  
19 that they want to employ, they'll move the jobs to our  
20 shores.

21 MS. McCLEAN: Yeah, I would echo -- oh,  
22 sorry.

23 I would echo that as well, that I think the  
24 engaged citizenry is -- is a huge part of it, the  
25 national competitiveness.

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1           But also, I mean, these might be more  
2           generalized as kind of the softer skills, but just the  
3           general tendency of college-going folks and graduates  
4           to be more open-minded and to leave having known what  
5           it's like to work with other people and to work in  
6           groups, and I think -- I think it really does a great,  
7           great thing for society as a whole.

8           COMMISSIONER NARASAKI: We actually, in  
9           our hearing in New York on use of force, I asked the  
10          panel the question of, you know, what's the biggest  
11          link, what can we do to help law enforcement be able  
12          to make better judgments with the use of force? And  
13          one of the responses was that the thing that correlated  
14          most with appropriate use of force was a college  
15          education, which I thought was really fascinating.

16          The other thing I want to know --

17          CHAIR CASTRO: Commissioner, actually,  
18          Mr. Vedder I think wanted to answer your first question  
19          as well.

20          COMMISSIONER NARASAKI: But can I finish  
21          --

22          CHAIR CASTRO: Oh --

23          COMMISSIONER NARASAKI: I'll let him  
24          answer.

25          CHAIR CASTRO: But you're asking the

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1 second question.

2 COMMISSIONER NARASAKI: No, no, I just  
3 want to finish the -- the other observation is there's  
4 a lot of testimony here that the most likely predictor  
5 for kids to be able to successfully go to college and  
6 -- and graduate is having parents who went to college,  
7 right? And I get concerned about the lack of value of  
8 having educated parents, and partly because when I was  
9 going to college, I went to Yale, and my uncle said to  
10 my dad, why are you bothering spending all this money  
11 to help her go to Yale because she's only going to get  
12 married? And you're wasting the investment.

13 So I feel like there is an investment to  
14 having educated moms and dads who can better help their  
15 kids not just because of a better income, but because  
16 they have bigger vocabularies and they're able to be  
17 more supportive of their kids growing up, so I just  
18 wanted to say that.

19 But Mr. Vedder.

20 MR. VEDDER: You were asking about public  
21 -- the public goods --

22 COMMISSIONER NARASAKI: Right.

23 MR. VEDDER: -- component of higher ed.

24 There are a couple studies that I don't  
25 know why proponents of higher ed don't look at more

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1 often by the National Bureau of Economic Research and  
2 others that show that where you have more presence of  
3 college graduates in a work environment, you get  
4 greater productivity out of your  
5 non-college-environment, that would be a pure public  
6 good kind of thing.

7 There is, however, some evidence that  
8 there may be, as the late Milton Friedman wrote in an  
9 email to me shortly before he died, that there are also  
10 some negative externalities perhaps associated with  
11 college in some cases.

12 Another one that is often used is smoking.  
13 College graduates smoke less, so that causes less  
14 secondhand smoke problems and health issues, they claim  
15 that there's health benefits, although actually people  
16 who smoke die earlier, and that lowers the Medicare  
17 costs, so you know, you -- I am sorry, it's true.

18 (Laughter.)

19 COMMISSIONER NARASAKI: That's a somewhat  
20 grim view. I'm not sure I want to explore that one any  
21 further.

22 I think I'll shift to the TRIO program. So  
23 -- so I'm a little sensitive on that one because my  
24 father died of emphysema.

25 So on this issue of TRIO, so some -- some

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1 of the stakeholders have suggested that we -- that  
2 there's not enough data to show that all of the programs  
3 are working as effectively as we want to given the  
4 investment.

5 Some have said that therefore we should  
6 just end them. Some have said perhaps we should remake  
7 them, maybe into more general grant programs with a lot  
8 more accountability. So I am just wondering what your  
9 recommendations, if you have any on that.

10 MS. BAYLOR: Very top level, I would say  
11 don't get rid of them, right?

12 Because anything that we have -- any  
13 programs that we have that are supporting students in  
14 school, whether or not -- I think that the idea that  
15 -- the idea of accountability is incredibly attractive  
16 in higher ed. It's something people are talking about  
17 a lot. But I think you can take accountability to every  
18 tiny -- to the point where you have very few returns,  
19 and I think the TRIO programs are designed to support  
20 students in college.

21 More recently, I worked for the Senate  
22 Health Committee where we did work on for-profit  
23 colleges, and one of the things that we looked at was  
24 the fact that when students came in the door, they  
25 weren't getting support, and so one of the most

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1 important questions is what are you giving this person  
2 access to? Are you giving access to going through a  
3 door and then not getting any help on the other side?  
4 That's what the TRIO program is there to do, and so I  
5 think that measuring sort of interventions that work  
6 and saying hey, you should do this, is an effective way  
7 of -- of calling for improvement within the TRIO  
8 programs, but sort of measuring every TRIO program and  
9 then ending them is -- you end up -- you end up spending  
10 more time trying to like satisfy the accountability  
11 than you do supporting the student.

12 MS. McCLEAN: Yeah, I would agree with  
13 those remarks. I think the programs are so valuable  
14 because of the support that they provide, and they're  
15 very unique in that way in terms of a federal program,  
16 and so perhaps there's ways we can look at, you know,  
17 reforming them or making them better, we can always do  
18 that in public policy, but certainly eliminating the  
19 programs is not something that we would be in support  
20 of.

21 CHAIR CASTRO: Okay, Commissioner Heriot?

22 COMMISSIONER HERIOT: Thank you, Mr.  
23 Chairman.

24 CHAIR CASTRO: You're welcome.

25 COMMISSIONER HERIOT: I don't have a

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1 question so much as a request here. Perhaps I should  
2 have mentioned this to some of the earlier panelists  
3 as well because they also brought up the topic, but I  
4 forgot, so let me try it on you, especially you, Ms.  
5 McClean, because you're the one that mentioned this.

6 I haven't been teaching quite as long as  
7 Dr. Vedder, but I have been teaching 26 years, and I  
8 love my university, I love my colleagues, I love my  
9 colleagues at other institutions, but I also know that  
10 they have a funny habit of arguing that things that are  
11 really good for them are also good for students.

12 And so you've got to watch out there, so  
13 I'm a little bit wary of the claim that work study is  
14 especially great because I know that work study  
15 benefits me because I get free labor out of it, and my  
16 colleagues get free labor out of it.

17 But on the other hand, the arguments that  
18 have been made by panelists here make a lot of sense  
19 to me, the notion that keeping students on campus, you  
20 know, helps, rather than having them work at that pizza  
21 parlor, you know, they're actually getting, you know,  
22 feeling like they're part of the community, they might  
23 stay around longer.

24 You mentioned that there is some empirical  
25 evidence on this. Could you cite that to me and send

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1 it to me when you get a chance?

2 MS. McCLEAN: Absolutely --

3 COMMISSIONER HERIOT: Great.

4 MS. McCLEAN: -- I'd be happy to.

5 COMMISSIONER HERIOT: Great.

6 CHAIR CASTRO: Any other questions,

7 Commissioners? Oh, Commissioner Kirsanow?

8 COMMISSIONER KIRSANOW: Thanks Mr.

9 Chairman, and thanks to the panelists.

10 I think Dr. Vedder you had mentioned that  
11 because of Griggs v. Duke Power, the value of a college  
12 diploma has been -- I guess for lack of a better term,  
13 it's now a must-have credential because of the fact that  
14 in Griggs v. Duke Power, a high school diploma was  
15 ostensibly used to bar certain people from employment  
16 even though it didn't have any job-related  
17 significance.

18 Is there -- the title of this hearing is  
19 The Effect of Access to Persistence in Attainment of  
20 College Degrees and Socioeconomic Movement of  
21 Minorities. Do you see the credentialism that seems  
22 to be pervasive among colleges, grade inflation, the  
23 explosion of remediation courses, as something that --  
24 first of all, not all college degrees, not all  
25 disciplines all the same, not all colleges are the same.

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1           Do you see there being a dilution of the  
2 college degree and/or a reduction in social or  
3 socioeconomic mobility as the result of this kind of  
4 devaluing of the college degree?

5           MR. VEDDER: I do. I think it's -- the  
6 college degree at one time was an important screening  
7 device. It still is an important screening device that  
8 for employers provides a relatively low-cost way of  
9 them differentiating what is on average a bright,  
10 disciplined potential workforce, those with degrees,  
11 as opposed to those who are without, who on average,  
12 on average are less bright, less motivated, less -- less  
13 knowledgeable, less skillful, and so forth, maybe less  
14 cognitive skills, I don't know about that.

15           And as more and more people go to college,  
16 and many of them are getting degrees that, to pick up  
17 on an earlier panel discussion, where the amount of  
18 actual learning outcomes that have occurred are -- are  
19 pretty dubious, that no longer is the bachelor's degree  
20 -- it's starting to lose its cachet, except, except at  
21 the elite schools, because the elite schools are still  
22 thought of as being the best and the brightest.

23           So if you look at the earnings, in my  
24 testimony, I took the earnings of 22 elite schools. I  
25 don't know if Michigan made the list, Northwestern

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1 didn't, Commissioner, but very -- the yuppie schools.  
2 22 -- I actually took all private ones, I think -- 22  
3 private schools at the top, using payscale.com data,  
4 and 22 schools from the Forbes Rankings of Colleges and  
5 Universities, which I by the way do, in the bottom,  
6 randomly selected, I added a couple HBCUs in too to be  
7 sure that there was a good minority representation  
8 among the schools.

9           The earnings were right out of the box 35  
10 percent higher in lead schools than the non-lead  
11 schools. So we can send you to a college, or we can  
12 send you to a real college, and at mid-career, the  
13 differential had widened to well over 50 percent.

14           So the kids that go to the elite schools  
15 not only make more to begin with, they get larger  
16 percentage advances.

17           And you know, I think that's partly a  
18 consequence of this huge expansion of the system that  
19 has devalued the degree, it's led to credential  
20 inflation, so now we have 115,000 janitors with  
21 bachelor's degrees, I am waiting for my university to  
22 put a master's in janitorial science program in any day  
23 now, you know, we've got to have more and more  
24 credentials.

25           And for what purpose? What is it serving?

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1 Have we got greater income equality in the United  
2 States? Have we -- you know, what have we achieved from  
3 this?

4 And, you know, and I'd love to talk to you  
5 privately because I thought the questions you asked at  
6 the last panel were particularly poignant with regards  
7 to, you know, what are the outcomes? What, you know,  
8 what is it we're trying to achieve?

9 And we don't have good information. Do we  
10 know -- the United States Government does not publish  
11 data on the graduation rates of Pell Grant recipients.

12 Now, we spend \$35 billion a year on Pell  
13 Grants. We don't publish the data. If you call up  
14 Arne Duncan tomorrow and say we want the data, he won't  
15 give it to you.

16 Now, maybe, you know, you're the Civil  
17 Rights Commission, maybe you've got more power, I don't  
18 know, but you don't have -- now, that is a crime. That  
19 is an absolute --

20 COMMISSIONER HERIOT: That they collect  
21 it or just not publish it?

22 MR. VEDDER: Well, that they, yeah, they  
23 collect data on Pell Grants, they do publish data by  
24 colleges, you know, Pell Grant percent, but they don't  
25 publish it by -- I mean, they publish, you know, what

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1 percentage at UVA are college Pell Grant, we know that,  
2 but we don't know by -- as a general statistic.

3 CHAIR CASTRO: Any other questions?  
4 Commissioner Narasaki?

5 COMMISSIONER NARASAKI: Yes, I forgot  
6 this. I had hoped that there would be someone from an  
7 HBCU testifying, and apparently they weren't able to  
8 come.

9 So my understanding, and I was talking to  
10 someone who heads an HBCU down I think it was in Alabama  
11 or Mississippi, and they were telling me that actually,  
12 HBCUs these days have a large percentage of  
13 non-African-American students attending.

14 And the HBCUs end up doing a lot of  
15 remediation support, so I am just wondering if any of  
16 you have expertise to comment on the HBCU system.

17 MR. VEDDER: The -- there is a general  
18 truth to what you say. There has been an expansion in  
19 the non-African-American component at HBCU  
20 enrollments.

21 There is a broader problem with HBCUs,  
22 which has been there has been a very significant decline  
23 in enrollments at a large number of schools in recent  
24 years, and this is, you know, this is getting to a very  
25 serious point in some institutions. I could name

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1 specific examples, but it probably wouldn't be  
2 appropriate.

3 MS. BAYLOR: I don't really have a lot of  
4 information. What is your exact question? I am  
5 sorry, could you repeat it?

6 COMMISSIONER NARASAKI: I am just -- I am  
7 interested in the percentage of non-African-Americans  
8 --

9 MS. BAYLOR: I don't have that number off  
10 the top of my head, but I would imagine that it has  
11 grown, you know, from a really, really tiny percent to  
12 like a small percent, right?

13 So I don't think we're seeing a sea change,  
14 but perhaps Megan--

15 MS. McCLEAN: Yeah, I don't have that  
16 information right now either, but that's something we  
17 can certainly look up for you and get you.

18 MS. BAYLOR: Yeah.

19 COMMISSIONER NARASAKI: Thank you.

20 **ADJOURNMENT**

21 CHAIR CASTRO: Thank you.

22 Well, that brings us to the end of the  
23 panel. I see no other questions from our  
24 Commissioners, so I want to thank you all for  
25 participating today, and I remind folks that the record

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1 remains open for the next 30 days, so any of you can  
2 supplement, and members of the public can also do that,  
3 and I'll remind you how you can do it.

4 You can either mail it by regular mail to  
5 the U.S. Commission on Civil Rights, Office of Civil  
6 Rights Evaluation, 1331 Pennsylvania Avenue NW,  
7 Washington, D.C. 20425, that's Suite 1150, or you can  
8 send it via email to [publiccomments@usccr.gov](mailto:publiccomments@usccr.gov).

9 I want to thank my Commissioners for  
10 participating so well today and engaging in this topic,  
11 and again, thanks to our staff for organizing today,  
12 and thanks to C-SPAN for being here all day.

13 Thank you very much. The meeting is now  
14 adjourned at 3:45 Eastern Time.

15 (Whereupon, the above-entitled briefing  
16 was adjourned at 3:45 p.m.)

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18

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