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
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,

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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U.S. COMMISSION ON CIVIL RIGHTS

BRIEFING

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

THURSDAY, MAY 28, 2015


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

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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 SORIN  
KIMBERLY TOLHURST
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ADJOURN 234
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.
Chairman. I want to begin by saying a big thank you to the OCRE staff, especially Angela French-Bell and Darren Fernandez for all their work on putting together this first two-day briefing that the Commission has had in a very long time. It was a tremendous amount of work, and they did the work extremely enthusiastically. I also want to thank the OCRE staff for the work that they did on the LGBT workplace discrimination briefing held in March. Both of these projects have been very important to the Commission's work; OCRE's work has been exemplary and I wanted to say a special thank you to them for all the hard work.

The premise of today's exploration is that access to and attainment of a bachelor's degree is the key to upward socioeconomic mobility in today's national economy. Attainment has significant, measurable, lifelong benefits for workers. Workers who attain the bachelor's degree can expect to achieve as much as $1 million in additional lifetime earnings as compared to their high-school degree earning counterparts, and that is very significant. However, there are racial disparities and gaps in enrollment in university, persistence toward a baccalaureate degree, and the attainment of a baccalaureate degree, and those gaps and disparities are what we will be examining today.
Certainly, there are disparities in preparation for admission, which then lead to disparate admission statistics, disparate persistence statistics, and disparate achievement levels. Nonetheless, there are programs that we will hear testimony about from the heads of three major university systems and others that help minorities and others address these achievement gaps. Many have been operated extremely successfully, and some have been invested in not only locally on the state investment, university investment, but federal investment as well, and that will be explored.

However, federal statutory funding formulae don't always address these disparate issues; in fact, in some cases, they compound the disparities, and we'll hear testimony to that effect as well. Why is this relevant? Well, given the significance to economic and social mobility of achievement of a baccalaureate, addressing these disparities is an important civil rights issue of our time, and with the Higher Education Act in the process, perhaps, of being reauthorized, now is the time to take a look at what we can do or what we can recommend that Congress do, and the Administration consider, when it comes to reauthorizing the Higher Education Act.
The various campus-based funding formulae are in need of radical revision, and that is something that we hope might be the result of the examination that we will be undertaking over the course of the next two days. As a nation, we are under-performing in terms of degree attainment in general; if we hope to propel our national economy forward at an ample rate and to become internationally competitive again, federal investment could be better made to address the gaps in overall achievement as well as the gaps in achievement by African-Americas, Latinos, and Native Americans, in particular when it comes to achieving the baccalaureate degree.

These problems could be addressed significantly by the redeployment of already allocated federal funds, and we'll hear experts talk about how those funds might be redeployed much more strategically in programs that we know work. This is a pressing issue of our time, and I'm delighted that the Commission will spend two days exploring these very serious challenges that we face. It's about time, and I'm delighted that the time has come. So thank you for the opportunity, Mr. Chairman.

CHAIRMAN CASTRO: Thank you, Commissioner.

I know that you and your staff put a lot of effort into
getting this concept paper before us, and I also want
to express my thanks to the OCRE staff on putting
together a two-day panel for us, which is unusual but
necessary on this topic. So we're going to have over
the course the day, today and tomorrow, a number of
speakers. So today we're going to have 14 individuals
that are going to present to us throughout the day in
four panels.

The first panel is going to consist of a
financial funding formula expert, and that will be an
individual who will join us by telephone shortly. The
second panel is going to be a group of federal government
officials who are going to share their perspective, and
Panels 3 and 4 are going to touch on the impact of the
socioeconomic mobility and family structure issues in
education. But as I prepared for this briefing,
reviewing the materials, I couldn't help but see myself
reflected in some of the commentary that some of our
witnesses are going to be presenting to us.

As the first generation college student,
the son and grandson of Mexican immigrants, as the
product of Head Start, as the product of affirmative
action programs, I am an example of the programs that
we're going to be studying today and tomorrow. I'm an
example of the success of those programs, and so when
I read some of our witnesses talking about oh, you know, everyone doesn't have to go to college, there is a lot of other things people can do, well you know what? When I was an honors student in high school, my high school guidance counselor said that to me. You shouldn't go to college; you should go work in the steel mills, where most of the people in the community, which was a black and brown community, went and earned a living. And I said "no, I don't want to work in the steel mills, I want to go to college." And my high school guidance counselor would not help me with my college applications.

So I had to go home, where my parents didn't have any personal capital in how to do this, and I luckily got into college through a leap of faith. And I wonder to this day how many of my fellow classmates in that largely Latino school heeded that advice from the counselor and did not go to college. And then when I got to college, I worked hard and got into a good law school through affirmative action, and had people who cared for me, and I had federal student loans, as well as cleaning toilets and digging ditches to pay my way. Then I got here, the first Latino chairman of the United States Commission on Civil Rights. I would not be sitting here today were it not for the educational
programs that existed from Head Start on the way up to Pell Grants, and I would not be here if I listened to the high school guidance counselor that I listened to.

And it's not an uncommon story, because I sat in a room with Senator Kennedy, Senator Simon and a few other senators a few years ago, and raised the same issue, and there was a room full of Latino leaders from across the country, and 90 percent of them raised their hand and said they had a very similar experience happen to them. So when I read about things that say "well you know, you all shouldn't go to college," or "college might be too tough for you, you're going to be disappointed." I take personal concern about those comments. So I really look forward to hearing from those witnesses; they're going to talk about those issues and to be sure, there are challenges.

We're going to hear about how college debt is impacting students, particularly student of color and from lower socioeconomic backgrounds. Luckily, I was able to pay off my student loans over 10 years, because I ended up working under the world's largest large firm. But many of those opportunities don't exist today, and so we need to figure out creative ways to be able to address this so that we're getting people not only a good college education, but a way to pay back
the debt that they're incurring. So I'm really looking forward to the periods of testimony over today and tomorrow.

Now those individuals who are in the room who are going to be witnesses, they'll hear from me right now the mechanics of this are going to work, and I'll repeat it for every other panel, because I know all of our witnesses aren't here yet. But we have a series of warning lights here; green, red and yellow. So every panelist is going to have seven minutes to speak, make a presentation, and that will be followed by questions and answers from my commissioners. And I will select the commissioners who are going to ask questions, and as my colleagues all know, I try to be fair and I also try to make sure the trains run on time. But to that point, as the light goes green, that's when panelists will speak; when it gets yellow, it's a two-minute warning to begin to wrap up, and when it's get to red, we ask you to conclude your remarks. There will be an opportunity in the question and answer to more fully flesh out where you may have left off, and so there will hopefully be that opportunity for everyone to make their presentations.

So it is my hope then that we can then begin this process if our first speaker--I don't know if--Mr.
King, King Alexander, is he on the phone yet? He's supposed to join us at 11:20. While we wait for him, I want to let folks know that in addition, the record of this hearing is going to remain open for 30 days from the date of the last hearing, so that'll be after tomorrow. Members of the public can submit materials; speakers or witnesses can submit and supplement additional materials by either mailing them to us here at the U.S. Commission on Civil Rights, Office of Civil Rights Evaluation, 1331 Pennsylvania Avenue, N.W., Suite 1150, Washington, D.C. 20425, or via email at publiccomments@usccr.gov, that's P-U-B-L-I-C-C-O-M-M-E-N-T-S at USCCR dot gov. And with those bits of housekeeping out of the way, Dr. Alexander, are you available?

While we wait for him, let me give you a little bit of his bio. He is from Louisiana State University, and he's the Chancellor. And he's actually going to be presenting to us on some very interesting statistical information.

COMMISSIONER ACHTENBERG: Mr. Chairman, King Alexander is the Chancellor of the Louisiana State University System, and prior to that he was the President of California State University Long Beach. He's a well-recognized expert in federal funding and federal
financial aid, and is particularly well-versed in the matters of where funding is currently going and how it might be more strategically deployed to address some of the achievement gaps, as well as the gap that the nation is currently experiencing in attainment overall, so both of those are critical issues. Obviously, the issue of underachievement is the specific issue that we are here to address, but the problem is enormous.

**PANEL I**

**FINANCIAL FUNDING FORMULA EXPERTS**

CHAIRMAN CASTRO: Thank you, Commissioner. Is Dr. Alexander there?

DR. ALEXANDER: Yes, I'm here. This is King Alexander.

CHAIRMAN CASTRO: Hello, Doctor, how are you?

DR. ALEXANDER: Good, good. I can barely hear you.

CHAIRMAN CASTRO: All right, how's that?

DR. ALEXANDER: Can you hear me?

CHAIRMAN CASTRO: Yes, we can hear you quite well.

DR. ALEXANDER: Okay.

CHAIRMAN CASTRO: Let me let you know you'll be speaking for seven minutes, prior to that I'd
like to swear you in if you're able to do that. I'll ask that you swear or affirm that the information that you're about to provide us is true and accurate to the best of your knowledge and belief; is that correct?

DR. ALEXANDER: That's correct.

CHAIRMAN CASTRO: Great. And also just for the record, we have a court reporter here who's going to be taking down all the—a transcript of all of the proceedings over today and tomorrow. So Dr. Alexander, you may proceed.

DR. ALEXANDER: Well certainly. Thank you, and I commend the Commission for looking into an issue that we've been struggling with for quite some time. That issue is how to more accurately and effectively get federal funds to institutions that serve low-income students, and currently the system that's in place has not done an effective job of doing that. Our low income and minority based students are primarily, once again as they have always been, at institutions that charge the least, spend the least and in most cases, sending students to, in some cases, without degrees or degrees that are not effectively used in the marketplace.

So I would say that the student aid system first and foremost was set up to aid private higher
education to keep it from going under in 1972, and to help under the premise that they would ensure that low-income students would receive greater access to private institutions if, indeed, a federal voucher system were to be adopted, which is what was adopted. And in addition to that, the only mission that was prioritized by the federal government at the time wasn't whether you're a for-profit, not for profit public institution or whether you serve low-income populations, but many of the programs are cost or price-sensitive, such as SEOG. SEOG is price-sensitive to the extent that if you charge more, you get more work study money, you get more SEOG money.

For example, Duke University gets about—last year got about $700,000 in SEOG funds and $2 million in work study funds. California State University Long Beach, on the other hand, with nearly a 50 percent low income population, of which Duke has about a 15 percent Pell population. Cal State Long Beach got the same amount of SEOG money, and one-half of the work study money that Duke University received, and one-half of the money that DePaul University received in Chicago, with perhaps only 30 percent to 20 percent of the low income population that many of the California institutions have. So the system was set
up to prop up high cost institutions and not to effectively support the low income students, the growing number of low income students needing higher education institutions and the lower cost higher education institutions.

CHAIRMAN CASTRO: Does that conclude your remarks, Doctor?

DR. ALEXANDER: Well, I'd point out that this is evidenced in so many different varieties. What was not anticipated by the federal government in 1972 with the federal based programs was that states would be removing themselves from their fiscal responsibilities to support low cost institutions. So once the states started doing that—and states are down 48 percent in tax effort from where they were in 1981—that means the lower cost institutions that rely very heavily on state funding, which was supposed to be maintained, are also the same institutions serving the bulk of the nation's low income students and population. Now the federal system has become so lucrative, that hundreds of for profit institutions have jumped into the fray, and now the federal—and now, for example, 30 percent of all the Pell Grants go to for profit sector institutions that serve 11 percent of the student population, yet still actually have about 47
percent of all the student loan defaults. I would say a substantial disservice to the low income students who get pulled into those institutions.

So what effectively has happened is that we have taken the exact opposite position at higher education at the federal level than we did at K-12 level for Title I ESEA schools, where it was maintained and it was believed and it was put into policy that institutions or schools that had a certain percentage of free lunch kids, a certain percentage over the minimum, that they deserve to have more support through federal additional funds, and these are non-supplanting funds, so states can't take their money out; the states have to keep their money in and the federal government contributes to those low income schools, K-12 schools.

All of a sudden when these students turn 18, we make a drastic change in federal policy. We say that nobody, none of these students have the same socioeconomic disadvantage that they did in high school, so that the institutions that primarily serve these low income students do not need any additional institutional support, and that is the great divide that we made between K-12 and higher education. And in many cases, you could argue that as they have done effectively in numerous states, as many as 20 plus states, that if we
are spending more money on a richer group of students going to richer institutions, and less money on the poorer students going to poorer institutions that charge less, that spend less per student, is that constitutional?

Well, it's not a fundamental right to go to higher education, but somebody needs to ask that question. Do they have a fundamental right to be supported at least at an equal amount, or even at a higher amount, that's what we decided in ESEA in Title I schools, and that is in the process of being reauthorized at the moment. So I would say we've done the exact opposite for higher education in propping up higher cost institutions who support more higher income students at the expense of supporting the institutions that support and educate the bulk of our lower income student populations throughout the United States.

CHAIRMAN CASTRO: Thank you, Doctor. I'm going to begin the questioning; we're going to have the commissioners ask you some questions. We're going to start out with Commissioner Achtenberg.

COMMISSIONER ACHTENBERG: Dr. Alexander, thank you so much for your testimony, and we'll be entering into the record a number of the scholarly articles that you've published on the issues surrounding
federal funding and low income students, so I want to thank you for that as well. Could you restate the problems that surround campus-based aid funding formula challenges? Could you talk about the disparities between, for example, what the California State University System receives in the aggregate to supplement the funding of its low income students as compared to, for example, what the Ivy League schools receive in the aggregate? I'm told that the Ivy League schools receive about $10 million in SEOG for 60,000 students, and the CSU for 400,000 students receives about $11 million. How can that be?

DR. ALEXANDER: That is because the formula has been based on protecting the have versus those that are the newer institutions that are the have nots, even though the have nots have the bulk of it. The numbers you just gave also support that the entire Ivy League combined--all eight institutions--have less Pell students than Cal State Long Beach by itself. And this is a substantial disadvantage, and the way the formula works is not towards a fair share process, but it's to protect the institutional haves, who have been in the process longer, and that have less low income students, and it is more about supporting them than it is about supporting students.
If the campus-based programs followed the Pell process, much more money would have gone to the CSUs and other institutions that have the bulk of America's low income students, instead of the richest campuses in America. So you're exactly right to point out that this does not make sense, that the Ivy League, with over $100 billion in endowment in the bank, that they're getting the same amount as Cal States that have a substantial portion of the low income Hispanic, African-American, Asian-American students in this country. And the protection—I call it the Plymouth Rock syndrome.

The campus based programs have fought for 30 years, and these reports started coming out in the late 70s, that there is a problem with this, but the Plymouth Rock syndrome means that if your campus is closer to Plymouth Rock, chances are you're going to get more campus based support, and the numbers pan that out. The farther you are from Plymouth Rock, the newer your institutions are, the larger your institutions are, and the more your institutions serve low income students needs to be weighted differently in the formula, much more like Pell Grants instead of based on previous formulas that do not support the fair share; they support what has traditionally happened, which is to protect
the money that they've been getting for 30 plus years.

COMMISSIONER ACHTENBERG: Could I ask one more question?

CHAIRMAN CASTRO: Please. Go right ahead.

COMMISSIONER ACHTENBERG: Conversely, there are investments that work. In the concept paper, we take a look at the TRIO Program and the GEAR UP Program, and I know various university presidents are going to be testifying today and tomorrow about all the strides that have made, that they have been able to make with their campus based programs, early assessment programs, cohort programs, Summer Bridge Programs and the like that do yield real results for low income students and for minority students, and do begin bridging that gap. Could you talk a little bit about your experience in that regard, and what has been working at LSU, for example?

DR. ALEXANDER: Well, what we know works is getting the right information in parents' hands and students' hands beginning as early as sixth grade. It's not showing up at orientation, it's sixth grade through, and those programs, GEAR UP and others do an effective job of reaching many students; however, GEAR UP and the TRIO Programs, it's been estimated only reach about one in 20 of those students that need them. So we're missing
19 of the 20 in terms of students that need those programs. The more effective way to follow TRIO certainly is to take a look at the campus based programs and allocate funding to institutions that are able to reach larger percentages of minority and low income populations. Those are your larger institutions, and we quite frankly have forgotten that in 1972, we were more interested in protecting private higher education from going under than we were protecting public higher education, which we just assumed would be picked up by the states, and their efforts would be continued by state funding.

Now that states have backed out of their responsibilities, then we need to ensure that any TRIO funding or any real campus based funding that is more need based and not have versus the have not based, or what has continued to happen, what needs to happen is that those federal funds need to be tied to continued state support. Maintenance of effort provisions need to be inherently added to the TRIO, need to be inherently added to any new federal funds that go to states because that will leverage state--federal funding to protect state funding of the institutions with the bulk of America's low income kids.

If we continue to pour money into a TRIO
or a campus based system in this structure, we're aiding
Duke and DePaul University and the Ivy League at the
expense of sitting and watching our public universities
go out of business, of which the first state that will
not spend a dime on higher education is Colorado in 2025.
Louisiana is right behind them in 2027, and subsequently
each state will withdraw their support, and continue
to withdraw their support unless these federal funds
are not used as leverage to encourage better state
investment in its low cost and high service institutions
to low income students.

COMMISSIONER ACHTENBERG: Thank you very
much. Could you comment on how the current SEOG funding
formula actually works--what is the formula that would
allow for such disparate funding that you described
earlier? I don't understand how--

DR. ALEXANDER: Well, there's been a lot of
discussion about changing this since the late 70s, and
in phasing out the institutional guarantee, and it's
called a base guarantee component that needs to be phased
out, that is based on history. That is not based on the
number of low income students you serve, and that is
the first component used in the formula. We've been
trying to get that as the last component used in the
formula so that the need based variable, like Pell Grant,
is the first allocation made through the formula. Currently, this base guarantee, I'm not even sure how they can justify its existence anymore. But what it does is it gives an institutional allocation, and it is based on more on what it had received in the past and what the institutions say to support their base allocation is that they charge more. So that they charge more; therefore they should get more.

Well, that is nothing more than an incentive to charge more, and SEOG gives them the incentive to get more money because they charge more money. Now, most of the institutions also that charge more are the same ones that put more money into merit based aid, which is also factored into the calculation because they call that an institutional expenditure. Well that's just a competitive--that's Brown versus Princeton, trying to outbid for a 4.0 student; it's not based on need. They consider that as being an institutional expenditure when it is merit based, and I would first of all, in any formula that supports a greater government allocation, federal or state allocation to an institution simply because they can charge more is exactly why the University of Phoenix made off with $3.7 billion in federal direct student aid last year, and only has an 11 percent graduation rate.
CHAIRMAN CASTRO: I'm going to ask--

DR. ALEXANDER: So the formula--the first premise needs to be changed from--the base guarantee needs to be factored out of the formulas for these campus based programs, and just simplify it. Base it on how many Pell Grant students they're actually serving. That tells you the number and the percentage of low income students they're actually serving; it has nothing to do with what they used to get or what a base allocation is, or what the cost of the institution is. I think perhaps it's the most perverse sort of educational funding that you could put in play is to base it on what a school charges, that therefore they get more, instead of who the actual institution is serving.

COMMISSIONER ACHTENBERG: Thank you. Go ahead.

CHAIRMAN CASTRO: Doctor, this is Chairman Castro; I have a couple of questions, and then my Commissioners Kladney and Narasaki will follow me with their questions.

DR. ALEXANDER: Certainly.

CHAIRMAN CASTRO: You mentioned the Plymouth Rock syndrome, and that reminded me of what Malcolm X had said about, you know, "we didn't land on Plymouth Rock, it landed on us," and then I keep thinking
that it continues to land on us, especially when you
talk about the issue of these for profit colleges and
universities. My senator, Dick Durbin, has been a
champion of pointing out the challenges and the pitfalls
that they present to students, particularly students
of color and low income students. Could you talk a
little bit more about that, and you mentioned that many
of the students end up with defaults and heavy debt;
it's my understanding as well that some of these students
can't even transfer some of the credits they got at these
schools, and therefore their "education" there is
virtually useless because they cannot use it elsewhere,
and also they've used up most of their financial aid
with some of these for profit colleges. Could you talk
a little bit more about that?

DR. ALEXANDER: Certainly, and the Demos
report that I mentioned in my statement shows that as
states have backed out of their responsibility, and as
for profit--at the same time, many for profit
institutions have jumped into the fray, the feeding
frenzy on low income students has been quite
extraordinary to the extent that our African-American
and Latino students are ending up with the greatest
amount of debt, with the least amount of degrees, and
this--it's sort of a--it's a vulture mentality, that
they're playing on many of these low income students. They're also playing on our veterans, and Senator Durbin is well aware of it, and he's done a very good job at addressing these issues and starting to realize the magnitude of the problem.

Many of our low income students are getting sucked in based on convenience; they're taking out large amounts of student loans, and they're ending up in the greatest amount of debt compared to white students, and these are primarily Latino and African-American students disproportionately. So not only has the for-profit sector gone after these students, but they've also gone after our veterans in the same way. We have many of these students coming to us, and even veterans coming to us saying we have lost all of our G.I. Bill benefits from institutions that are giving us no degrees or degrees that aren't worth anything, and I'll sue Corinthian Colleges as an example.

Corinthian with millions of enrolled students, now they have $1.3 billion worth of debt that the Department of Education is trying to figure out how to pick up because they went out of business. These institutions are everywhere and they do not live and die by the market, they live and die by federal direct student aid. Phoenix's total revenues were $4.3
billion last year; 93 percent of all the revenues came from the federal direct student aid system or the G.I. Bill benefits, with little regard to finishing degrees, with little regard to completion, with little regard to what the degrees actually mean.

That's why we've been fighting to keep the default mechanisms in place to keep these numbers to actually force institutions who get student aid to admit how much debt your students have. Unfortunately, despite $170 billion federal financial aid system that's in place, including tax credits and the direct student aid system, our low income students still have a 10 percent chance of getting a baccalaureate degree. And in addition to that, the likelihood of those students graduating with more than average debt is much higher, and the likelihood of them finishing without a degree is much higher.

That's why we need to re-examine what we're doing with the $170 billion and perhaps use that as leverage, as we did with the stimulus package, as we did with other forms of matching federal aid to institutions who want to be accountable, that have the low income populations, that unfortunately are not able to spend as much as other institutions are to educate these students.
CHAIRMAN CASTRO: Dr. Alexander, we're going to at the end of this entire process, make some findings and recommendations to the President and Congress on this issue. What recommendation would you give as a way to prevent some of these for profit colleges from even being at the trough where they're doing what they're doing as you've testified. Is there some way that we can change their access to these funds or is there a way to better police this?

DR. ALEXANDER: Well first of all, I would point out that we're the only OECD country in the world that gives public money to institutions like this, and I get questioned by my colleagues from Australia to Canada, that even questions the fact why are we giving money to institutions that were just created last year that accredit themselves. Number one, I would have—I would actually give greater authority to the Department of Education to oversee who gets accredited. And so the accreditation bodies, 30 plus bodies out there are accrediting anybody and everybody, which basically allows federal funds, $170 billion, to flow to those institutions. There has to be some sort of oversight at the federal level on who gets this money, and there isn't any oversight, and right now we've been in a fight to try to create some degree of oversight through default
percentages and others, but why are we the only OECD
country in the world that insists that the federal
government, even though it's the major revenue supplier
to higher education, has no say in where the money goes?

I think the federal government has every right. States only spend $75 billion now, they're down
to $75 billion, so the federal government is spending
two and a half times, through their programs, for higher
education, and they have no control over who gets it.
So I would say first of all, the federal government needs
to have greater oversight; they deserve that right since
the bulk of the revenues are coming. I would say number
two, the federal government needs to use its federal
funding, as I mentioned, as matching funds to states
to maintain the funding for higher education that
states are backing out of.

People ask me about the Tennessee free
community college plan. It's not the 75 percent of the
cost that the federal government is buying out for the
students that's so great for low income students in
Tennessee, it's the fact that they only get the 75 percent funding for the student--to make community
colleges free--if and only if Tennessee maintains its
funding effort to two and four year institutions. Once
Tennessee starts backing its money out, the federal
government backs its money out.

So there is matching federal funds to hold states accountable, and this is a big fight because I know folks in the Senate--and I'll be testifying next week on this--I know folks in the Senate don't like any more federal oversight of what states are doing, but if the federal government does not support the Cal State Long Beaches, the Cal State Dominguez Hills, the Trinity University in Washington with 50 percent African-American low income students, if the federal government is not going to prioritize those institutions and support them based on who they serve and whether or not they're affordable or not, then we're not going to have affordable public institutions in the starting in the next 10 years, because that's when Colorado is the first state to drop off the map.

So I would say that--two things. The federal government needs to leverage its resources to force states to maintain their state effort for keeping institutions affordable, and that opens the door for low income students and always has. And the second thing is that the federal government has every right in the world, which is what the whole ratings system was developed to try to do, was to help parents and students know whether the University of the United
States of America, which sits in an industrial park in Long Beach, was any good or not, whether their students end up in massive default or not, whether they get degrees where they can get a job or not. These are all the reasons why the federal ratings system has been discussed for six years, that we need to do a better job of holding institutions accountable, but we also need to do a better job at holding states accountable so they don't abandon their low income population at their low cost affordable public universities, like the Cal State University system.

CHAIRMAN CASTRO: Thank you, Doctor. I'm going to give the floor now to Commissioner Kladney.

COMMISSIONER KLANDNEY: Dr. Alexander, thank you very much for all this good information, but I would ask you if you could provide us a proposed formula that you think—I mean, you made recommendations, but as far as the entire formula goes, to provide us a draft of that or several different kinds of proposals that we could look at, I would appreciate that.

DR. ALEXANDER: Okay. I certainly can do—I can do that, and the easy part of this is instead of basing SEOG's formula on what it used to, base it on what Pell Grants do, because Pell Grants are based
on student income, and they follow the low income
students, and currently, we've being fighting to get
SEOG and the campus based formulas to follow where the
bulk of the low income students really are. So I will
certainly--

COMMISSIONER KLANDNEY: Okay, and then my
second question is--this is pretty interesting because
you were speaking about graduation rates, and I got the
impression that you were thinking about tying graduation
rates to funding and this and that. On the other hand,
there are public universities and universities of
color--I went to a public university that has a low
graduation rate, not 11 percent, mind you, but under
50 percent, and I was wondering if it would be a good
idea to cap the funding after five years and changing
the formula to performance and graduation rates,
something like that.

DR. ALEXANDER: Well, I'm not a big fan of
rates because everybody knows you can improve your rate
by just turning away as many low income students as
possible. And what matters, what drives the economies
are --if you could improve your rate at the time as you
can maintain your low income access, at the same time
you can maintain the number of graduates or increase
the number of graduates that you're putting into the
work force, then those three variables have to be weighted equally. So if, even if we've got schools in Louisiana with four percent graduation rates, with 90 percent Pell students. Well, if we can help them get to where they're having a 25 percent graduation rate without losing the Pell population, we need to make sure we're measuring all of those equally.

I would say even more importantly, what could be done at the federal level, not necessarily about the performance side of this, but something that exists today is—which is completely opposite of what we do in K-12 schools, that if we had a 20 percent threshold that said that in order to get campus based aid, you have to have 20 percent Pell eligibility to receive it, this is another recommendation that would change the dynamics, because it would create the first incentive for basically rich institutions to start serving more low income students. Right now, it's kind of like going to New Trier or Naperville outside Chicago. We don't give Title I funds to the richest school districts in the country because they don't have enough free lunch students, but we give all this campus based aid to institutions that have no threshold, none whatsoever, on how many low income students they serve.

So if we were to create, even outside of
the graduation rate, but the federal programs which support and re-incentivize, create an incentive for institutions to at least serve 20 percent low income populations, I think that might get institutions more interested in serving minority, low income, underrepresented students. We don't give Title I ESEA funds to the richest schools in the country; there's a reason for that.

COMMISSIONER KLADNEY: Right. And you--but you mentioned in your answer about the four percent graduation rate to a 20 percent graduation--I mean, I am concerned about graduation rates, because I've seen schools with six-year graduation rates in the low 40 percents, and that surprises me because here we have experts and Ph.D.s in education holding themselves out as educators, being able to get students through college, and they're getting paid high and they get all these benefits; then you mentioned improving that rate to 20 percent. I mean, is that way to--is that a variable that can be in your equation?

DR. ALEXANDER: Well it could be. You know, I think most--the institutions with the four percent graduation rates and the 10 percent rates are one or the other. They're the poorest public universities or colleges in the country, number one,
or they're for profit institutions that don't really care if they graduate, number two. Those are two different dynamics and distinctions. The states need to put pressure, and the federal government through these programs could indeed put pressure on states to ensure that they are improving on their graduation rates and the numbers of students they graduate. It's more of a delicate measure, because I think that, for example, what we're able to do at Long Beach was --and we measured this carefully--but with 50 percent Pell students coming from 80 percent Title I schools, we were able to get our graduation rate from 40 percent to 60 percent, and we spent about $12,000 per student, which is among the lowest per student spending in the country of universities.

It's getting that rate up and getting--is a complicated and complex approach that involves everybody on the campus. Certainly we--in Louisiana, there is a debate about whether you close an institution that has a four percent graduation rate--and that's the Southern of New Orleans-- or do you merge it. There is pressure on them from the states to get their rates up, and 32 states have performance-based funding schemes that tie their rates to funding. It could be mentioned at the federal level; I think the most important dollars
that could be used and leverage that could be used at
the federal level is to get the wealthy institutions
in this country turned around and start serving more
low income students. And that's the flagships, that's
the research, public universities, because right now,
there is a mad rush to out-of-state students to fund
the higher education systems of our states. That is
where the bulk of our low income student population is.
They're in the community colleges, they're in our other
public regional universities, and there's still some
flagships that are committed, like the UCs, that are
committed with 30 percent and above Pell students.

But without any threshold being set by the
federal government say that you must serve this amount
to get these campus based funds, we're still going to
give Duke twice as much money in work study than we're
giving to Cal State Fullerton or Texas El Paso, which
is 80 percent minority students and 60 percent Pell
eligible population.

COMMISSIONER KLADNEY: Thank you so much,
Doctor, and I appreciate it. Hopefully you can give us
those formulas, written formulas.

DR. ALEXANDER: I certainly will.

CHAIRMAN CASTRO: Okay, we're going to move
on to Commissioner Narasaki, then the Vice-Chair, and
since we're already over time, I'll give Commissioner Yaki the last question.

COMMISSIONER NARASAKI: Thank you Mr. Chair. Sir, I have a couple of questions. One is that despite the fact that, as you lay out, the elite schools and flagship schools who are, you argue, get a disproportionate amount of funding from low income, given how many students are enrolling. So how do we get them to serve more low income students in their states? President Obama has proposed a Pell bonus for colleges that enroll and graduate low and moderate income students; is that something that you agree with, or do you have alternative proposals? And why is it that the Ivy League schools are not enrolling more, even though they're getting a lion's share of support? What would you do to get them to increase their service?

DR. ALEXANDER: Number one, I think that you need to fund the schools that are committed, that show their commitment, much like we do in Title I with K-12 schools. The Ivy League are the richest universities in the world and have the smallest percentage of low income students in the country. And so I think one reason they do that is because--and one reason we worked on a federal ratings system is because they pay attention to U.S. New and World Report and the
affluent ranking systems.

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

The federal ratings system was being put together as a counter proposal to get better information in the hands of parents and students, to reward institutions who are serving and graduating low income populations. So I support the fact that--the Cal State university system was the first system in the country to not only make it available, but we to this day, as we do at LSU now, we list how many Pell students we serve and what percentage of those Pell students actually
graduate as a percentage of the graduating class. In addition to that, how many of those graduating students are African-American, how many of those graduating students are Latino, how many of those graduating students are female, how many of those graduating students are Asian-American.

This is an accountability issue that needs--what should have happened is that the federal government should have grasped on to what the Cal State University System did, and forced everybody to admit this information. We could not--it was in 2005 and '06 that we had to get federally legislated through the Reauthorization of Higher Education Act just to get those very schools to admit how many students graduate with debt, and what kind of debt are they graduating with. So the counter-proposals that are--the proposals that are out there are indeed good ones; we need to reward the schools that are serving the highest cost students the best, and then make them the role models of where these funds ought to be going to; not Duke and not Harvard. They're not role models for any of us to follow. The role models are Texas El Paso; the role models are Cal State Long Beach. Those are the role models that should be getting more funding than Duke does, and that's the perverse incentive that's set up
in this structure.

So I would say why are they not serving low income students? Well, because their rankings will go down if they do, and my question is why don't we put a federal threshold in place, like we have with Title I schools? And if for those schools that are at--Washington University in St. Louis, one of the wealthiest universities in the world, has seven percent Pell.

COMMISSIONER NARASAKI: So let me ask you--

DR. ALEXANDER: Why don't we tell Washington University that you cannot get--

COMMISSIONER NARASAKI: --right, so--

DR. ALEXANDER: --SEOG or campus based funds?

COMMISSIONER NARASAKI: So it sounds like one of the things you might support is an alternative ranking system to what the magazines put out that would help provide incentive for some of these colleges to do better. I also wanted to ask, some say--some of our witnesses are going to be saying today that some federal funding needs to be directed to institutions directly rather than through students to help them provide greater support for the students who need help. There's a lot of testimony about the fact that many students
are going to schools not fully prepared for a college
load, or because they have complicated family
situations, might need more counseling or help in
identifying funding streams and things like that. So
where do you stand on that issue?

DR. ALEXANDER: I think that is a critical
question, and the fact of the matter is I'd like to take
us back to 1972. In 1972, because private higher
education wanted the voucher system, the market based
system, public higher education wanted institutional
support to help the low income populations that they
served. Public higher education lost the argument in
1972, and went into a free flowing voucher system that
has gotten so out of control that we have for profit
institutions in every industrial park in the country
now. Now, what was also passed as a compromise in 1972
was a program called the Cost of Education Allowances,
and this is why your question is so timely. The Cost
of Education Allowances were passed as a component or
a program that would take $2,500 and it would flow
directly to the institution that enrolled the Pell Grant
student.

So yes, that was actually passed by Congress
in 1972, but has never been funded. So it was supposed
to be a companion program that said if you take--which
also created an incentive for institutions to take low income students instead of the disincentive of the cost of remediation and all the other disincentives. But if we simply went back to funding the Cost of Education Allowances that were passed by Congress in 1972, that sent $2,500 to every institution per Pell Grant student, it would have tremendous effect in supporting the student service programs, the counseling programs, the advising programs, the remediation programs, developmental education programs; we just never funded it.

So we just assumed that these low income kids, once they left their Title I schools, didn't have any other institutional needs, and they were equal to everybody else. We'll just give them tuition-based money and let them flow into the universities, but we never supported the institutions that admitted those students, which would help Trinity, which would help Berea College, who has 90 percent low income kids, which would help Cal State Long Beaches and the Cal State System immensely. Why don't we just do what we authorized in 1972, and that would be the simplest remedy to the question, which is a great question. I've asked why haven't we done that? It's been 50 years.

CHAIRMAN CASTRO: Dr. Alexander, I'm going
to turn it over to our Vice Chair for a quick question, and then Commissioner Yaki will follow with the last question.

VICE CHAIR TIMMONS-GOODSON: Thank you very much, Mr. Chair. Dr. Alexander, first let me commend you on that wonderful history of the funding of higher education, I found it especially enlightening and I'm sure some of my colleagues do as well. You have made the point that the federal government is in fact the major supplier of higher education, specifically supplying some $75 billion annually, and that represents some two and a half times what states are putting in. You've advocated that the--we ought to go to a matching funds model, where I assume the federal government would tie its support to state institutions to the amount of money, under some formula, that they put in. It's sounds like a great notion to me. I was wondering though what is the--what are some of the arguments that you have heard in opposition to such a thing?

DR. ALEXANDER: Well the primary argument comes from Senator Alexander in Tennessee. He says he's a states' rights guy. And I asked him point blank--and I'll be testifying next week to his committee, the Health Committee on the Senate side--I've asked him do states
have a right to get out of their public higher education obligation. Is that a right? And do they have a right to accept federal money while they're doing it? And I'm still waiting for a good answer. The beauty—a couple of examples of history have proven very effective. SSIG was created in 1972 to get states—to create state student aid programs. Within 10 years, about 15 states grew to 40 states that had federal matching funds that created state student aid programs, that's your TAFT program in New York, your MAP program, your CAL grants in California. They weren't created prior to federal leverage and federal matching funds.

The second best example is in the stimulus packages. The three stimulus packages that we put into effect, you could only take education funds in the stimulus packages if and only if states did not cut their budgets below the 2006 funding level. Now, we had 48 governors against us on this, and it passed in conference by one vote, and once that language went into the stimulus packages, 20 states within six months cut their funding levels to the very threshold before the federal government told them to stop. Even Senator Alexander—and I reminded him of this—Tennessee at that time, even though he hates more federal leverage, Tennessee had a $1.1 billion higher education fund that
they funded public higher education with. Tennessee cut their funding to within $13 of where the federal leverage kicked in to penalize Tennessee.

Federal matching funds, federal leverage works, and it has been proven time and time again that it works. I'm just puzzled why we assume that higher education, unlike highways, unlike Medicaid, unlike the next generation of students that need higher education, why aren't we tying federal leverage and matching funds to the states and holding states accountable as well. It works, it's proven to work, and I know who's against it; all the governors. The NGA is against it, Senator Alexander is against it because he doesn't like the other federal leverage that's in place.

CHAIRMAN CASTRO: Dr. Alexander, I'm going to turn it over to Commissioner Yaki for the final question. Commissioner?

DR. ALEXANDER: Okay.

COMMISSIONER YAKI: Thank you very much, Dr. Alexander. A quick question. What would--just to play devil's advocate, what would be the response of a Harvard or a Duke to what you say here today? What do they traditionally say back to you with regard to your accusations that they are receiving disproportionate funds and--but do a
disproportionately less number of disadvantaged students as part of their classes?

DR. ALEXANDER: I would ask why aren't they serving twice as many low income students; they already spend--

COMMISSIONER YAKI: I'm sorry; my question is more what is their traditional response to you when you make these statements? How do they--maybe you can't state how they defend themselves, but I'm curious as to how--what they do say. Is it because the students that they do admit have such a large disparate economic disadvantage that they have to put disproportionate resources to those individual students, so the cost per student is that much greater, or what is that they--how they justify the position they're in vis-a-vis your university or a Cal State Long Beach?

DR. ALEXANDER: Well, you know, first of all, I would point out that a history class at Cal State Long Beach doesn't cost any more than a history class at Harvard; they just choose to pay their people three times as much, number one. Number two, I would question the fact that they have $40 billion in the bank and why don't they have twice as many low income students, of which they've committed to doing in 1972, because that was their promise that they would make themselves more
accessible and they would control their costs better having been able to get federal funds. Their argument to me is that nothing should change, the money should follow the student and that the institution should not be held accountable based on federal regulations that question whether or not they're serving enough low income students or not.

They don't want anything to change, and in fact, they've lobbied against using federal leverage to encourage states to keep colleges affordable, because that allows them to increase their costs more readily when we look and act more like private institutions. So they have won in the first 50 years of the Higher Education Act. They've won in per student spending, they've won in salaries, they've won in rankings. The question is what are we going to do in the next 50 years to salvage public higher education universities and colleges? Now they don't care quite frankly what happens to UMass Amherst. They really don't care what happens to Louisiana State or Cal State Long Beach, as long as they rank better, because they're the winners in this, and that's why they lobby--that's why they're on the opposite side of the table.

They don't want a 20 percent threshold in low income students, and quite frankly the reason I set
my recommendation at setting a threshold at 20 percent is because it is primarily the richest publics and the richest privates in the country that have less than 20 percent. And why don't we create incentives to force those institutions, if they're going to enjoy public funds, incentivize those institutions to be more public. I've argued with--they've been on the opposite side of the table with me every time we try to change any of this.

CHAIRMAN CASTRO: Thank you very much.

DR. ALEXANDER: One reason SEOG works like it does, one reason the campus based funds work as they do is because of Harvard's objection to changing the way it works right now and how it's worked in the past.

CHAIRMAN CASTRO: Thank you very much, Dr. Alexander. Are you done?

COMMISSIONER YAKI: Yes.

CHAIRMAN CASTRO: Doctor, thank you so much for your presentation; I know we've gone a little the time we said we would, but the information was extremely important to us, so thank you. Any additional--

DR. ALEXANDER: I hope it helps.

CHAIRMAN CASTRO: It did, and you can provide any additional information to us after that fact, and we will now take a break until 1:00; we will
resume the panel with Panel number 2. We're adjourned until 1:00.

DR. ALEXANDER: Thank you very much.

CHAIRMAN CASTRO: Thank you, Doctor.

(whereupon, the meeting in the above-entitled matter went off the record at 12:17 p.m. and resumed 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
panelist for the second panel of the day is Ms. Valeria Carranza with the Congressional Hispanic Caucus. I will now ask you to each raise your right hand and swear or affirm that the information that you're about to provide to us is true and accurate to the best of your knowledge and belief; is that correct? Yes? Okay, great. Dr. Weinberg, please proceed.

DR. WEINBERG: Thank you for inviting me to present testimony today. One correction, I was with the Census Bureau for 25 years, but retired last year. I'm now a visiting scholar at Virginia Tech.

CHAIRMAN CASTRO: Thank you.

DR. WEINBERG: Maybe you got me under that affiliation because I'm going to talk about data, that's what the Census Bureau does. While I'm a visiting scholar there, this is solely my own testimony. I'm going to focus on the data sources that have the potential to illuminate the possible civil rights impact that access to and completion of higher education at four-year flagship universities has on minority socioeconomic mobility. As a prerequisite, I assume that the Commission will settle on a definition of a flagship university that could be applied uniformly throughout the country, since as far as I know, no such official definition exists.
To obtain useful research results about the question at issue, that is how an individual's earnings can change, one must focus on the characteristics of those individuals and how they affect later outcomes. A short list of factors that might affect socioeconomic outcomes including individual characteristics, parental characteristics, housing characteristics, neighborhood characteristics, and school characteristics.

COMMISSIONER KLADNEY: This is Dave.

CHAIRMAN CASTRO: Oh, thanks Commissioner.

We're already with witness testimony.

COMMISSIONER KLADNEY: Oh, I'm sorry.

Okay.

DR. WEINBERG: All these factors can play a role, and it's unlikely that all of them will be present on any one data set. The key data sets for comparing cohorts of individuals over time are the long form of the decennial censuses and the relatively new American Community survey, a replacement for the long form begun in 2005. In my written testimony, I presented an example of earnings estimates published from the 2013 ACS, and principle one could tabulate the public use micro data back to 1960 to estimate returns to education for particular groups classified by age, but the micro
data does not identify the educational institutions attended by the respondents, so that's pretty much a dead end. However, the tabulations could provide a useful baseline.

The most promising avenue to understand the issues raised by the Commission is by using longitudinal data; that is, data collected on the same individuals at many points in time. If the data set had all the information one would need, one could then compare socioeconomic outcomes for minority individuals with those from non-minority individuals with the same background, such as those attending college or those not attending college, and those attending four-year flagship universities with those attending other four-year institutions. A warning though, in any such comparison, the analyst must pay particular attention to issues of attrition and selection bias. In any longitudinal survey, not all of those interviewed in a prior year are willing to be interviewed again, and people who attend college at all, or a flagship university in particular, are different from the ones who do not in ways that are potentially not accounted for by the observed characteristics.

One particular survey worth noting is the National Longitudinal Survey of Youth. The 1979 survey
was a nationally representative sample of over 12,000 young men and women born between 1957 and 1964. They were interviewed annually through 1994; they were first surveyed in 1979 and annually through 1994 and biennially since then. The 1997 cohort of the NLSY followed the lives of a sample of youth born between 1980 and 1984, interviewed of course first in 1997, and they've been surveyed 15 times to date, and now are interviewed biennially. This survey does include questions about the respondents' high school and college experiences, but the actual college attended is probably known to the survey administrators; it's not part of the public use data.

There is a series of national longitudinal surveys done by the--excuse me--longitudinal surveys done by the National Center for Education Statistics that focuses on typically a high school class, high school seniors, and follows for several years thereafter. I'm going to skip in the interest of time, skip a little more detail and explanation of those, but it might be possible to use those surveys to understand the early years of socioeconomic progress for minority college students. There's also something called the Baccalaureate and Beyond study they do, which takes a sample of college seniors and follows them for several
years, and the internal files for that survey do identify the colleges and universities.

And the final source of data to understand the issue before the Commission is administrative records, data created for another purpose that can be assembled into a database to examine your questions. This approach is epitomized by the data systems established under NCES' statewide longitudinal data systems grant. One such system I'm somewhat familiar with is the Virginia Longitudinal Data System, and the State of Virginia has linked elementary, secondary and post-secondary school information to earnings and welfare receipt. Its major advantage for addressing the issues the Commission is interested in is that all of the colleges and universities attended are identified in the public use data. So once again, once you come up with a definition, you can look at those attendees versus attendees at other universities. One key drawback is that only residents of Virginia are tracked, so the lack of full data on in and out migrants may bias the results, but to the extent that findings of a study focused on Virginians could be replicated in other states, and there are 47 states with grants to create such systems; such cross validation can give more confidence in the findings.
In sum, this VLDS seems like the most promising for immediate work since it contains information on schooling as well as earnings data, and is available via the Internet. Another route I would recommend is that the Commission explore whether the National Longitudinal Surveys of Youth can perhaps create a new restricted use file that identifies flagship universities in the sample. They've done this for other users, the BLS is the sponsor, they've created a geographically-limited restricted use file, and so this is something worth investigating. Thank you for your attention.

CHAIRMAN CASTRO: Thank you, Dr. Weinberg. Dr. Gawalt, you're next.

MR. GAWALT: Yes, thank you. Thank you for the invite.

CHAIRMAN CASTRO: You're welcome. Make sure your mic is on.

MR. GAWALT: And because I guess we're under oath here, for clarity, I do not hold a Ph.D. Anyway, I'm John Gawalt, director of the National Center for Science and Engineering Statistics. We are an organization, an agency within the National Science Foundation. We are one of the 13 principal statistical agencies of the U.S. federal government.
COMMISSIONER YAKI: Could you move your mic a little closer to you?

MR. GAWALT: Sure. And we were established really many years ago, but formally given our name for the Competes Act of 2010, primarily responsible for producing data analysis relevant to the U.S. Science and Engineering counterparts. We do that by collecting primary data, by engaging in activities that promote the use of data, and by disseminating information through a series of information products and compiled reports and data files. Today I want to talk about information we have in two of my reports; I've made those available to you this afternoon. One is Women, Minorities and Persons with Disabilities in Science and Engineering, and the other is Doctorate Recipients from U.S. Universities.

The Women, Minorities and Persons with Disabilities in Science and Engineering report is biennial, provides statistical information about the participation of these groups in science and engineering education and employment, and it's one of the signature reports produced by my organization. It is mandated the Science and Engineering Equal Opportunities Act, it is produced biennially. We produce this formal report in digest form, but also if you read it online, there are
numerous detailed tabulations with richer data that support the findings in the report itself.

So, the representation of certain groups in science and engineering education and employment differs from the representation of the U.S. population overall. That is to say that they are disproportionately smaller and--I'm sorry, I'm off on my notes. Blacks, Hispanics and American Indians/Alaskan Natives are considered underrepresented in science and engineering, and that is they are disproportionately smaller percentage of SME degree recipients that are employed scientists and engineers in the U.S. population. Asians are also a minority group that are considered to be over-represented among SME degree recipients and those employed in SME.

Those shares are rising proportionate on represented minorities earning bachelor's and doctoral degrees in science and engineering and non-science and engineering field overall is lower than 30 percent. As you can see from this chart, underrepresented minorities earn just under 20 percent of the bachelor's degrees awarded, and there's little difference between science and engineering and non-science and engineering fields. At the doctoral level, represented here by the dash line,
the proportions are lower, with the share of degrees earned by underrepresented minorities in science and engineering fields being well below than those in non-science engineering fields.

I want to turn your attention to the progress of minority women and men in science and engineering degree awards. In this slide, the orange lines correspond to the bachelor's level, and the green line correspond to the doctoral level. Underrepresented minority women are the solid lines, and underrepresented minority men are the dashed lines. You see the underrepresented minority women are a higher proportionate of science and engineering bachelor's and doctorates than underrepresented minority men and the solid line is higher than the dash line at both degree levels, and the gap is particularly large at the bachelor's level. An interesting related finding here is that, in the case of whites, we observe the opposite pattern. White women earn a lower proportion of science and engineering degrees than men at all degree levels.

In the case of Asians, we see that Asian women and men similar proportions of SME degrees, and these figures can be found in the Women and Minorities report.

Looking at trends, we can see the numbers of all bachelor's degrees by minority group. You can
see the overall increase with the number of degrees earned by Hispanics surpassing those earned by blacks in 2012. The trend is similar for bachelor's degrees in science and engineering fields, but the crossover point occurs in 2009, a few years earlier, with the bachelor's degrees overall.

In this slide, we see the proportion of underrepresented minorities earning bachelor's degrees in different SME fields. We see the proportions of underrepresented minorities lower than 30 percent in all broad fields, but they are highest in psychology and the social sciences, followed by computer science and increase faster in psychology and social science than any other SME fields, with the proportion of underrepresented minorities earning degrees in more math-intensive fields is particularly low.

And previous slides should—to recap, this slide shows the trend in shares of bachelor's degrees earned by underrepresented minority groups, even though the number of bachelor's degrees awarded to Hispanics and blacks went up considerably in the last two decades, the share of bachelor's degrees awarded to blacks has held steady at around nine percent since about 2000, while the share of SME bachelor's among Hispanics continued to increase over the period.
Now I want to focus on information that we have at the doctoral level; this information comes from the report that you see here, which you also have a copy of. Of the approximately 52,000 research doctor degrees awarded at U.S. institutions, and in 2013 represents the highest number of degrees awarded—I'm going to skip along here—and every year the number of SME fields degrees exceeded the number of non-SME fields. And participation in the doctoral education by underrepresented minority groups who are U.S. citizens or permanent residents is increasing as evidenced by a 70 percent increase in the number of doctorates awarded to blacks and African-Americans in the past 20 years more than doubling the Hispanic or Latino doctorate recipients. But the proportion of doctorates awarded to blacks and African-Americans has risen from 4.5 percent to 6.4 percent in 2013; proportionately, Hispanics from 3.4 to 6.3 in 2013.

Minority U.S. citizens and permanent residents doctorate recipients of different racial and ethnic backgrounds are more heavily represented in some fields than in others as you can see from this chart. An interesting bit of information you get from the survey of our doctorates in this report is the pattern of parental educational attainment, and you can see that
there is a difference between those underrepresented minorities and other groups. Another source of data we have is data we have on the workforce, and you can see that of the science and engineering work force here, and these are people who have been in the workforce for about four decades, so we have a lot of older cohorts, the proportion of blacks in SME occupations is lower in proportion to the U.S. workforce overall.

And I wanted to wrap up with one last reference to some of the data Dr. Weinberg had mentioned, and that was the American Community Survey. It's a very important survey, and some of you might want to look at the data that comes from that survey done by the Census Bureau. We added in 2009 a question on field of degrees, and that will allow you to disambiguate to understand who's a scientist and engineer and who's not in that file, and therefore you can analyze the data and subset the group that's of interest to you. So, looking at that will be very helpful.

CHAIRMAN CASTRO: Thank you, Doctor. Dr. Innis? I'm sorry, you're not a doctor. I know you said that.

MR. GAWALT: That's all right, I'm fine. Thank you.

DR. INNIS: Good afternoon, thank you so
much for the opportunity to present to you. I'm going
to take a different tactic; I'm actually going to talk
about a program that I work with at the National Science
Foundation which I think has helped to contribute to
the numbers, the successful numbers of students
underrepresented in STEM. I am a mathematician from
Spelman College, and I'm doing a rotation at the National
Science Foundation in the Education and Human Resources
Directorate. I work with the Louis Stokes Alliances for
Minority Participation. So, today I will talk to you
about the LSAMP Program and the different tracks, the
funding tracks that we have and the numbers that have
come out of LSAMP.

So LSAMP is a national program that was
established in 1991; every year, Congress supports the
continuation of the program. And the goal of LSAMP is
to significantly increase the numbers of students
historically underrepresented in STEM who successfully
complete high quality baccalaureate degree programs in
STEM. So when we say underrepresented students in STEM,
we're referring to African Americans, Hispanic
Americans, Native Americans, Pacific Islanders, Alaska
Natives. Those are our target groups, and our emphasis
is on transforming STEM education through innovative
recruitment and retention strategies and high quality
undergraduate experiences for these students.

Currently, we have 45 active alliances across the nation, and that include alliances in Alaska, Hawaii and Puerto Rico. Our alliances are multi-institutional, so each alliance can be made up of flagship universities, four-year institutions, research one institutions, liberal arts colleges, comprehensive colleges, so they are made up of a multitude of institutions. And in our alliances are over 600 institutions, so our program is far-reaching across the nation. In terms of the results for our 45 active alliances across the nation, just in the 2013-2014 academic year, we had over 36,000 baccalaureate degrees that were earned by students underrepresented in STEM. And if we look at the statistics of LSAMP versus non-LSAMP students, we notice that in terms of persistence and retention, we have better statistics.

For LSAMP, 45 percent completed--excuse me--65 percent pursue graduate degrees, whereas non-LSAMP students only 45 percent pursued graduate degrees. So our goal not only is to help our institutions develop comprehensive programs to help students of color earn baccalaureate degrees, we also have another track in LSAMP called Bridge to the
Doctorate. Bridge to the Doctorate was established in 2003, and this is a program that is focused on funding students for the first two years of their graduate studies in STEM, and we have noticed that—if I can remember correctly—a large percentage of the students who earn baccalaureate degrees from LSAMP institutions go on and receive at least a master's degree.

Another program that I want to talk about, because there is a focus at the National Science Foundation on Hispanic serving institutions, we have another program called Bridge to the Baccalaureate, that's another track in LSAMP. Bridge to the Baccalaureate actually is an alliance of two-year institutions or community colleges, and the goal for B to B—that's what we call it, Bridge to the Baccalaureate—the goal for B to B is actually to increase the transfer rate of students underrepresented in STEM, so four-year institutions in pursuit of a four-year STEM degree, and that actually has been very successful. I have one example in New Jersey, where we have the Garden State LSAMP that's actually working with the Northern New Jersey Bridge to the Baccalaureate, and they have a nice partnership and collaboration.

I wanted to talk about, last but not least, along with Bridge to the Baccalaureate and our
traditional alliances and Bridge to the Doctorate, not just in LSAMP, but we have funding opportunities at the National Science Foundation that has been advertised in what we call Dear Colleague letters, and there are two Dear Colleague letters that are currently out there that are focused on two-year Hispanic serving institutions, and it is to increase the capacity of these institutions, to support the students to earn baccalaureate degrees and then go on to four-year institutions. LSAMP has been a very effective and productive program, and I think that we will continue to support the alliances so that they can support the students so that we can have increased statistics for these students underrepresented in STEM. Thank you.

CHAIRMAN CASTRO: Thank you. Ms. Carranza?

MS. CARRANZA: Thank you. My name is Valeria Carranza, and I'm the Executive Director of the Congressional Hispanic Caucus. Thank you for the opportunity to testify about the importance of federal financial aid programs on minority-serving student enrollment at bachelor degree granting colleges and universities. I'm here to be just one voice for the Latino communities across our country whose educational success and livelihood are affected by these financial
aid programs. Can you all hear me?

CHAIRMAN CASTRO: I think your IPad wifi is interfering with the microphone.

MS. CARRANZA: Oh, okay. As an ardent education advocate, and most importantly as a first generation college graduate, I am here to advocate and support our federal financial aid programs. Looking at me today, you wouldn't know that I'm the daughter of Salvadoran immigrants who came to this country without knowing English. My grandpa is illiterate; he doesn't know how to read or write. My grandma had a second grade education, and both my mom and dad had to drop out of high school in order to raise me. My mom was 16 and my dad was 17 years old when they had me. Growing up, my parents both had two full-time jobs; my dad flipped burgers at Tommy's and cleaned cars at Avis Rent-A-Car. And in order to put food on the table, my mom delivered the Los Angeles Times at three in the morning and stocked shelves at Pick 'n Save.

Still, my family saved what little they could in order to buy school supplies for my brother and me. My mom would put our school uniforms and shoes on layaway at Pick 'n Save so we could have one new outfit a year, just like everybody else at our school. My family has always valued education, but words like
"SATs" or "FAFSA" were not in their vocabulary. They themselves had never applied to college, and had no idea there were scholarships or financial aid for students like me.

My story is not unique. It is the story of many first generation students, Latino students and poor students. According to the Higher Education Research Institute at UCLA, median family income is $37,565 for freshmen whose parents did not attend college. Families whose parents did attend college have a median income of $99,635. That's more than two and a half times more a year than those families without a college degree.

The numbers are even worse at Ivy Leagues; according to the Dean of Admissions and Financial Aid at Harvard, more than half of Harvard's freshman class come from families making over $125,000 a year. This includes 15 percent with incomes between $250,000 and $500,000, and almost another 14 percent who make over half a million dollars a year. In contrast, many of the 15 percent like my family, who are first generation freshmen, earn under $40,000.

Growing up, the only expectations of me were one, don't get pregnant; and two, graduate from high school. Even though I was at the top of my class with honors in the Law and Government magnet program, a
college education seemed like a dream. A few years ago, I traveled and participated in a sister cities program with my local county government, to my family's native country of El Salvador. In a high school classroom, we asked students how many of them would like to go to college. Not a single student raised their hand. We rephrased the question; we're not asking how many of you plan to go to college; how many of you dream or would like to go to college? Still, not a single hand went up. A student then volunteered the answer and said "Why would we dream of going to college when we know the reality is that we will not, we cannot afford it?"

This classroom and this student could have easily been in the United States in one of the congressional districts of our Congressional Hispanic Caucus members. For Latino students, as with many minority students, college costs and available financial aid are among the most significant factors that influence their decision to enroll in college. As average tuition costs rise and financial aid amounts decline, we run the risk of making access to higher education an out of reach dream for low income students.

According to a college board report, almost 60 percent of undergraduate students receive some sort of financial aid to help them pay for their education.
Department of Education data also shows us that a decrease in portion of federal aid is distributed according to need. IN recent years, low income students received a lower share of grants for financial aid. Given that many Latino students come from low income families, the limited availability of financial aid, the increase in costs of higher education both prohibit Latino participation in higher education. The implications of funding education at all levels are very real. Latinos are the fastest growing demographic, and it's projected that in 2050, we are going to make up 30 percent of the nation's population.

These aren't just statistics or projected data; this is the future of our country. These are our future teachers, researchers, explorers, innovators, and leaders. Many of our CHC members are themselves the first in their families to go college, and that's what fuels them to keep fighting. Higher education further empowers the nation's democracy by developing an educated community who is better able to participate in political and civic life. A work force that is both highly educated and diverse strengthens our economy. Higher education increases economic mobility and reduces income inequality, and begins the process of ending the cycle of generational poverty. I know this
through research and through my own personal story.

This is the story of so many of us. My former high school has the highest number of students in foster care and on probation in L.A. County. The area is plagued by violence stemming from gangs; as a result, Los Angeles has issued a city court ordered gang injunction for the area. The median household income is nearly $10,000 lower than the U.S. average. Many students in low income areas like the one I grew up in barely graduate or even make it out alive. That is the importance of funding education, and most importantly, financial aid programs and mentorship for these students.

Students need to know that there are choices and paths for them after high school, that there's a path to building a better and more self-sufficient life for themselves and their families. These students have so much potential to be our future leaders. WE need to invest now, not tomorrow or in the future, to have a work force that reflects the America that we are. Thank you.

CHAIRMAN CASTRO: Thank you Ms. Carranza.

 Commissioner Achtenberg, do you want to lead off the questions?

COMMISSIONER ACHTENBERG: Thank you Mr.
Chairman. I'd like to ask Ms. Carranza if you could talk about the Reauthorization of the Higher Education Act that is being considered now, and what kinds of changes, if any, are being talked about that would result in the federal funding more readily addressing the kinds of priorities that you identified in your statement?

MS. CARRANZA: So this Congress, the Congressional Hispanic Caucus has not reauthorized its principles; however, last Congress we identified the following six priorities within HEA. One, improve college affordability; two, strengthen the capacity of HBCUs and minority serving institutions; three, improve education quality and student success by increasing funding for first-year student retention and success programs; four, promote college readiness for students of color and disadvantaged students through programs like GEAR UP, TRIO and HAPCAMP; five; increase the recruitment and retention of teachers of color; six, support access, participation and success for undocumented youth.

COMMISSIONER ACHTENBERG: And is it the view that if these were more extensive priorities for the federal funding, that there would be movement, positive movement in terms of numbers of low income and minority students who would be better prepared to enter
the university, more likely to be retained, and more likely to achieve the baccalaureate? Is that the sense of your members that these priorities might yield some progress on that score?

MS. CARRANZA: Yeah, these are preliminary priorities based on last Congress, and I think as we develop and also look forward to the outcome of all the testimonies here today, we will also develop our priorities for this Congress and keep pushing. But I think this is at least a good snapshot of certain priorities in funding that we believe will make some kind of impact in low income communities. And you know we saw something similar with the Elementary Secondary Education Act earlier this Congress, when we were seeing cuts, especially in low income areas, and when we talk about low income areas, we're primarily talking about black and brown communities. And in contrast, we were seeing more funding in higher income areas, and so that's kind of what it goes down to in both the K-12 but also beyond that through higher education is funding for more of these support systems.

COMMISSIONER ACHTENBERG: And might I ask a question of Dr. Innis? You talked about some promising programs, and that through these LSAMP programs and partnerships, certain statistically
verifiable progress is being made. Could you be more
specific about some of the practices that you're
utilizing, and what the statistics tell us about the
success or failure of those practices?

   DR. INNIS: Yes. Thank you for the
question. With LSAMP, we support alliances and
institutions and we allow them the flexibility to design
the program as they see fit based on their particular
institution or regional context. But what I can tell
you is that in 2006, the Urban Institute did an
evaluation of the LSAMP program and developed what we
call the LSAMP model. And there's certain elements in
the LSAMP model that a lot of our alliance institutions
implement that we think are effective or best practices.
These include summer bridge programs, sometimes with
a focus on math. Definitely scholarship support for
funding a college education, peer study groups,
undergraduate research experiences, peer mentoring,
attendance at conferences, internships, supplemental
instruction by students.

   And so a lot of these are what we call our
retention strategies for LSAMP, and we found that they
really--it's creating a very cohesive cohort of students
that support each other, and then to have very committed
and dedicated faculty at the institutions that are
committed to the success of these students. And I'll just tell you I gave the overall number in 2013-2014, but if I were to break it down by race and ethnicity, over 13,000 black or African American students earned baccalaureate degrees in STEM; over 19,000 Hispanic or Latino, over 1,100 Native Americans, over 500 Native Hawaiian or Pacific Islanders, and we have 2,221 who reported more than once race. And so these numbers are based on the different strategies that are utilized at the different alliance institutions.

COMMISSIONER ACHTENBERG: What percentage--are there percentage increases that you can--I mean, I understand those numbers in the aggregate, but what kind of increase, if any, do those numbers represent?

DR. INNIS: That's actually a very good question. So when an alliance is funded for their first five year grant period, they have to commit to doubling their numbers over the five year period, and we have alliances that have been in existence over 20 years. And so what happens is in terms of the percentage increase, they are significantly increasing the numbers using these strategies.

COMMISSIONER ACHTENBERG: So we know these strategies work, is that correct?
DR. INNIS: Yes.

COMMISSIONER ACHTENBERG: And how is this funded? How is this initiative funded?

DR. INNIS: So LSAMP is a program at the National Science Foundation, and we receive our appropriations from Congress as part—so the President presents his budget, and then Congress makes the appropriations.

COMMISSIONER ACHTENBERG: Thank you very much.

DR. INNIS: Thank you.

CHAIRMAN CASTRO: Commissioner Yaki?

COMMISSIONER YAKI: Thank you very much, Mr. Chair. Just a personal note to Ms. Carranza, my wife went to Dickinson as well. But this is for Ms. Innis, and actually I'm going to go a little bit off your testimony a little bit, simply because you mentioned that you are a mathematician, which of course just boggles my mind. I can barely add two plus two, but that's why I'm in politics. You talked about Spelman College, and one of the things I think has interested me, and I was listening to a report the other day about the state of enrollment in HBCUs in general, if you can just talk a little about the importance of HBCUs and the need for continued federal support for that as also
a way of ensuring minority educational opportunities and prospects in this country, I'd appreciate just your overview as someone who's right there.

DR. INNIS: I appreciate that question, thank you so much. And I should tell you that I'm actually an alumna of an HBCU, Xavier University of Louisiana. I am an applied mathematician; I was one of the first African American women to receive a Ph.D. from the University of Maryland College Park. I teach at an HBCU and I am the product of an HBCU, and I know for a fact that we not only prepare our students academically, we prepare our students holistically. So we prepare them to be leaders, to be civically engaged, to be servants to their community, to be activists. And so in terms of the importance of HBCUs, I have a statistic. If you were to look at all of the underrepresented people who have received doctorate degrees in STEM, a large majority of them started off at an HBCU and as the baccalaureate origin institution. So if you were to look at the top 10 institutions that were the baccalaureate origin institutions of all STEM doctorates, I believe eight out of the 10 are HBCUs, and Spelman College actually is number one on that list.

COMMISSIONER YAKI: Of course.

DR. INNIS: So I think it's vitally
important that continued funding for HBCUs because students sometimes elect to go to an HBCU because of the supportive and nurturing environment that are at an HBCU, and given the fact that even though we only make up a small percentage of the number of institutions, we produce the largest number of students that earn doctorate degrees in STEM, I think that we play a vital role in producing students of color that get advanced degrees in STEM.

COMMISSIONER YAKI: Thank you.

CHAIRMAN CASTRO: Earlier today on the first panel, there was some discussion about for profit universities and colleges and the impact that they have on students of color particularly completing their education or actually not, and then taking on some debt. So I don't know if any of you have some thoughts on the impact that that has had from the perches that you're sitting at. No?

DR. INNIS: Well I don't want to be the only one to speak, but I will. So with the non-profit, I don't want to misspeak--

CHAIRMAN CASTRO: You mean the for-profit.

DR. INNIS: --the for-profit, I apologize, I'm thinking Spelman. For the for-profit institutions, a lot of our students elect to go there because they
feel like it affords more flexibility in terms of when you can take courses and in terms of basically being able to structure your pathway. And what I find is that students who attend for profit, on the one hand, it's good the flexibility, but on the other hand, there's no pressure on the students to finish, and so sometimes they may not finish and incur a lot of debt. What we find with a lot of our students, and another reason why we are focusing with the Bridge to Baccalaureate is that a lot of our students of color start off in community colleges. And we're hoping that with targeting some funding for the two-year institutions, that will bring some of the students—nothing against for-profit, but that will bring some of the students to the two-year institutions so that they would get more motivation to complete their degrees.


MR. GAWALT: Not to your question on for-profits, but I do want to come back to this and the topic of baccalaureate origins. That is a report that we produce, so if the Commission is interested in that report, those data come from the survey or earned doctorates, because through that survey, we have the baccalaureate tool, and so we can feed that together.
So we're happy to provide that report to you.

CHAIRMAN CASTRO: That would be appreciated. Earlier as well, at the beginning of the panel this morning, I talked about an instance that happened to me when I was in high school, even though I was an honors student, that my high school guidance counselor encouraged me not to go to college, and I mentioned how that---I shared that anecdote with some U.S. senators in a group of Latino leaders a few years ago, and that many of them in that room also had the same experience, and as Dr. Flores will probably mention when he comes up, he told me afterwards that the same thing happened to him, very similar.

So clearly there's a pattern here, and more often than not, race or ethnicity seems to play into this. In particular, is there something that the Congressional Hispanic Caucus has identified on this? Is this an issue that you all have seen, and is this going to be part of---could it possibly be part of one of the priorities that you're going to be approaching? And certainly anyone else who wants to address that.

MS. CARRANZA: It's an issue that a lot of us have seen personally, including the chairwoman, and myself as I mentioned in my testimony, the expectations of me were one, don't get pregnant; and two, graduate
from high school. It wasn't go to college and graduate from college. And you know where, for example, TRIO programs and for me personally, mentorship, which is a component to TRIO programs, plays a huge part in making sure that low income students are treated just like any other student. And I was lucky enough to have an English teacher that believed in me and literally handed me a scholarship brochure and said "you're going to college." And that was one of the first times that an adult had told me that I was college bound.

So again, the more we talk about it, the more we identify that these are our stories, and the more we also identify that it should be a priority to invest in mentorship programs. And we also have the Congressional Hispanic Caucus Institute, which I'm not a part of or correlated with, but the Chair of the Congressional Hispanic Caucus also chairs CHCI, and that's a similar model there where you're literally paying it forward and mentoring and fostering the talent of tomorrow to make sure that they have the resources they needed, but most importantly, they have an entire support system saying you will succeed, you do have options, the options go beyond your neighborhood, and if it's community college or vocational school or four-year, there are options. But you know, a lot of
that is on us to make that a priority and to go back and make sure that it's not just data or statistics or policy or words on a page, but we're actually doing something about it.

CHAIRMAN CASTRO: All right. Dr. Innis, do you have something you want to say?

DR. INNIS: Definitely. I'll put on my LSAMP hat. So with our alliances, one of the great things, even though they do not get direct funding to support K-12 activities, a lot of our alliances, because they have to develop innovative recruitment techniques, actually do outreach to K through 12 schools. And when students of color who are pursuing baccalaureate degrees go to the K through 12 school, again, like was said, there is motivation or encouragement to the students to say okay, there's someone that looks me that's actually in college, and so I can do it. So a lot of our alliances do K through 12 outreach to help break, you know, the trend of not encouraging students of color to pursue college degrees.

CHAIRMAN CASTRO: Okay, thank you. Any--Commissioner Narasaki?

COMMISSIONER NARASAKI: Thank you Mr. Chair. I have two questions. One is that some of the people who will be testifying sometime during the
hearing have taken the position that we don't really need to actually increase the number of STEM graduates, that in fact we have not only enough but a surplus, which runs counter to most of what I've heard, so I would like to get your response to that. And the second is that we have someone testifying later, Richard Vedder, who has taken the position that "and this unrealistic promotion of college participation may now do minorities more harm than good," with the basic premise that because low income students, first of all low income students don't need to go to college; and secondly, they may not be able to survive because they're not sufficiently prepared and there's a high risk because they will be taking on debt for a school that they then can't actually complete. So I'd like your responses to those.

MS. CARRANZA: I can take the first question. So this congress, the Congressional Hispanic Caucus has met with a number of tech companies; one of them had a three percent Latino work force, and the other one had a four percent Latino work force, and when we asked them about their numbers, their answer was always the same: we can't find them. They don't have STEM degrees.

CHAIRMAN CASTRO: Anyone else? Ms. Innis?

Mr. Gawalt?
MR. GAWALT: I wanted to say to the first question also, but I have to first say that as a statistical office, we really stay away from policy and policy questions; these are both pretty much policy questions. But I do want to refer though to a very recent report from the National Science Board, and my office works very closely with the National Science Board in development of the Science and Engineering Indicators Report, and the Board customarily—and that's a very policy-relevant but policy-neutral document, but very thorough. The Board often to address policy issues will issue things that we call—we refer to as companion pieces. So they issued in the last month a companion piece on this very topic, and so I would recommend that that's how—you take that, I'm sure that's not the conclusion that you'll see in the National Science Board's report. And I'm referring to the numbers of STEM graduates.

CHAIRMAN CASTRO: Anyone else?

COMMISSIONER HERIOT: Can you supply us with that report, even though it's not your office but it's still—it's quicker than us trying to get it.

MR. GAWALT: Absolutely. So I may, when I get an appropriate contact to send you, emails, I mean—

COMMISSIONER HERIOT: That'll be fine.
CHAIRMAN CASTRO: Angela French-Bell from our office will make sure that you connect with her. Commissioner Kirsanow?

COMMISSIONER NARASAKI: Well, could I ask--I don't feel like I really--

CHAIRMAN CASTRO: I'm sorry. Go ahead, Commissioner Narasaki; I thought you were finished. No go ahead, keep going.

COMMISSIONER NARASAKI: I just didn't fully get the question answered that I was asking so let me rephrase it. There are many stakeholders in this debate who are basically arguing that we should not put more money into financial aid, and that we should not look through the lens of race. And one of the arguments is that it's actually harmful to minority students to hold out to them the promise that they should go to college and that that in fact is a good path for them to go. And I was wondering what your response is given either your personal or professional viewpoints.

CHAIRMAN CASTRO: Go ahead.

DR. WEINBERG: I'll try a personal response, not based on any institutional knowledge, but it's true that while some of the Census Bureau data have shown that people who go to college tend to earn more than people who don't, there's a wide variation in that.
People who do very, very well in college, who perhaps are in STEM education fields tend to do very well. People who--I'll pick out my son, he's a smart guy who went to Yale, which is probably one of your flagship universities, but he majored in Studio Art and just in case he couldn't get a job being an artist, he second majored in English Literature. I said either one, he could drive a taxi, but he's on Medicaid, he's not making a lot of money. But is college right for him? I couldn't say. There's a wide variation in skill, ability and ability to learn from college education across all races and ethnic groups.

So it certainly could be reasonable to be said that too many people go to college, but I wouldn't say that about minority individuals in particular or it's people with relatively low skills who might be better served by a vocational education. It may well be too much emphasis on college, but it's certainly not--we shouldn't discourage minority students by any means.

CHAIRMAN CASTRO: Anyone else have a response? Dr. Innis?

DR. INNIS: So I too will come from more of a personal standpoint as a black woman with a STEM degree. Back in September 2014, at the National
Hispanic Servant Institutions Week, President Obama says "A nation can strengthen our economy and have the highest proportion of college graduates in the world by 2020, but achieving this goal will require us to unlock the full talents and potential of every student."

And so in response to your question about should we not encourage students of color to get college degrees, I would emphatically say yes, we should encourage, and no we should not not encourage them.

CHAIRMAN CASTRO: Discourage. We should not discourage.

DR. INNIS: Thank you. And if you look at statistics, we're not at parity in terms of looking at the percentage of the population that students of color or that people of color make in this country in terms of the degrees that they earn, we're not quite at parity, and another statistic--and my colleague at NSF probably has this--but I want to say it's projected by 2050, we're going to have so many new STEM-related jobs that we have to encourage everyone to go and get degrees, especially in STEMs, so that would be my personal response to that.

CHAIRMAN CASTRO: Commissioner Kirsanow, followed by Commissioner Achtenberg.

COMMISSIONER KIRSANOW: Thank you, Mr. Chair. Ms. Carranza, I should let you know that my
parents had two expectations of me, one was to graduate from high school and not get pregnant, and I accomplished both of them, and they're very proud of me. My question is to Ms. Innis. Am I correct, you said that the LSAMP program is designed or emphasizes STEM programs related to Hispanic, black, Native American and Pacific Islander; is that correct?

DR. INNIS: We have more. African-American, Hispanic-Americans, American Indians, Pacific Islanders, Alaska Natives; those are the groups. I hope I--

COMMISSIONER KIRSANOW: What about other Asian-Americans?

DR. INNIS: So essentially our target are those that are underrepresented in the STEM fields, and so we look at students of color that don't historically earn STEM degrees or that are underrepresented in STEM. So certain Asian groups, and I think one of my co-presenters actually stated that one of the groups is not actually underrepresented in STEM.

COMMISSIONER KIRSANOW: Has there been any analysis as to why that group is not underrepresented in STEM?

DR. INNIS: Not to my knowledge. I'm sure there is, but I don't have firsthand knowledge of it.
CHAIRMAN CASTRO: Any other witnesses have any--thank you.

COMMISSIONER NARASAKI: I can explain it to you.

CHAIRMAN CASTRO: Go ahead.

COMMISSIONER NARASAKI: Well part of it is because the Asian-American community population is largely driven by immigration, and one of the immigration categories that Asian-Americans rely on is the H-1B category. So for many years, you've had a lot of people coming from India, China and some other places come here to go to graduate school, and then having children who grow up in that context. That coupled with the fact that for immigrant students, particularly from Asia, from most of the subgroups like China, not so much India, English language is a challenge, but math is not a language-based issue, so Asian students have tended to test better on the math side than on the English side for that reason, because of the language barriers.

There are some Asian subgroups, like Southeast Asians, who come in primarily because of refugee streams, so many lack the education that streams coming from China today or India have, who should be looked at, and one of the things that we have said is that the Asian community needs to be broken down into
their national origin pieces. But the issue right now in high tech for Asians is not so much getting into the jobs, but a recent report shows that the issue is the glass ceiling for Asian-Americans in technology. They get in, they get through the middle ranks, but they're not making it to the most senior positions in the high tech Silicon Valley companies.

CHAIRMAN CASTRO: Thank you. That was actually very good. Dr. Weinberg?

DR. WEINBERG: Can I just add something to what Commissioner Narasaki said, and that is, it is very important to consider subgroups of both the Asian population and the Hispanic population. I recently completed a study with some colleagues of residential segregation, looking at the suburbs. And for example, Vietnamese would be differently racially segregated than Japanese, for example, or Salvadorans versus Dominicans. It's important to consider that, perhaps for future programs, about--well, if you can get the data on these perhaps underrepresented Asian subgroups and Hispanic subgroups as well.

COMMISSIONER NARASAKI: And if I might add, even for Japanese Americans and fourth generations like myself, so when I was looking at college, my father, who was an engineer at Boeing, told me--really pushed
me about going into engineering, because he said people,
when you're dealing with science and math, they can't
discriminate against you. It's harder because it's not a subjective field, it's quantitative. Unfortunately for him, math was not my strong suit.

CHAIRMAN CASTRO: Commissioner Kirsanow,
do you have any other questions?

COMMISSIONER KIRSANOW: No, sir.

CHAIRMAN CASTRO: Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: I'd like to ask Dr. Weinberg if he could get more specific about how it is the National Longitudinal Survey for youth could be adjusted or augmented so that we might have better statistics on economic and social mobility related to the achievement of the baccalaureate degree.

DR. WEINBERG: I'd be glad to comment on that. The National Survey, the National Longitudinal Survey of Youth is funded by the federal government, and but collected I believe by Ohio State University and the National Opinion Research Corporation. But they are required to keep the data confidential so that people who use the data could not identify the respondents in the survey. And for the most part, they mask certain characteristics. So in other words, they
don't report precise geographic location of the individuals in the survey.

But for some analyses, it's important to know for example, neighborhood characteristics, how neighborhood characteristics might affect certain behaviors. So they created for people interested in location, perhaps matching in data from the American Community Survey on census track characteristics, percent poor, percent unemployed, that sort of thing. They created a restricted use data file which did identify the geography and made that available to researchers who were willing to sign a confidentiality oath and protect the data.

Since the data collection agency does know the college and university to which its respondents attended, it seems to me that they might well be willing to create a different kind of restrictive data use file that researchers could use. They could, for example, say two-year institution, four-year institution, that's relatively straightforward, it's easy to code. What they don't know is flagship university or college or university, versus another university. I looked at the National Center for Education statistics website, and there is no formal definition of a flagship university. Something that's been suggested is perhaps
a land grant university might be considered a flagship university, but would you really include MIT, and not Harvard as a flagship university simply because Harvard's not a land grant university; it preceded the land grant program. In Virginia, I think Virginia Tech is a land grant university, but the University of Virginia is not. It's hard to think of excluding the University of Virginia.

So to create this restricted use file, you'd have to define what a flagship university was, and I don't envy you that task, because you know if you're saying is Boston University a flagship university or not? Is the University of Massachusetts at Amherst flagship or not? You might even get some push back from some universities, but that's the first step. Once that definition is available, you could ask the Bureau of Labor statistics to ask its data collection agency to code the file into flagship, non-flagship; of course they're going to ask you for money, it's not costless. It shouldn't be too expensive, however, once you have the definition. And then to set up a procedure for making those data available for analysis in a restricted environment. It's not going to happen overnight, but it doesn't seem to me impossible to achieve given there's already precedent for creating such files.
CHAIRMAN CASTRO: Any other questions, Commissioners? I have a couple. Mr. Gawalt, your slides earlier, I found it interesting that Latinos have seemed to surpass African Americans in getting their science and engineering degrees if I read that correctly, as well as barely -- it's sort of been going up and down I think with Hispanics and African-Americans in terms of the doctorates, is that right? It looks like--so it's page 15, slide 15 and slide 10.

MR. GAWALT: So, yes, these data do show counts. And--

CHAIRMAN CASTRO: Do you know what's behind that? Why is that happening?

MR. GAWALT: We really don't have information that speaks to why, we have the numbers and the characteristics of those who are earning degrees.

CHAIRMAN CASTRO: We don't know if there's been some particular program or effort that's been undertaken that's caused this to occur, or we're just looking at what's happened, not why?

MR. GAWALT: We're looking at what's happened and not why.

CHAIRMAN CASTRO: Okay. All right, any other questions Commissioners? If not, I want to thank this panel, we really appreciate all the information
that you shared with us, and I mentioned earlier today
that our record is open for 30 days if there's any
additional information you want to supplement, actually
you can see our Head of Office of Rights Evaluation,
Dr. French-Bell, and she'll make sure to coordinate with
you.

(Simultaneous speaking.)

CHAIRMAN CASTRO: So thank you very much.

DR. INNIS: Thank you.

CHAIRMAN CASTRO: We'll take a 15-minute
break.

(Whereupon, the above-entitled matter went
off the record at 2:03 p.m. and resumed at 2:49 p.m.)

CHAIRMAN CASTRO: It is now 2:49 p.m. and
we are back on the record for our briefing. I want to
thank the panelists for being here this afternoon.

We're starting a little earlier, because
we finished the last one earlier. So, I'm glad you're
all here.

You probably were not here earlier when I
explained the system of warning lights. I know, Mr.
Clegg, you've been here many times. So, you're an old
hat at this, but each of you will have seven minutes
to speak.

That will be timed by this series of lights.
Green, of course go. Yellow means you've got two minutes left and start wrapping up.

When it's red, we ask you to stop and then we will have a period of time where the commissioners will be able to ask questions and you can probably do some follow-up on whatever you might not have had the opportunity to finish.

PANEL III

SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE I

CHAIRMAN CASTRO: Okay. So, I'm going to introduce briefly each of you and then ask you to be sworn.

Our first panelist is Mr. Fabian Pfeffer from the University of Michigan. Our second panelist is Mr. Roger Clegg with the Center for Equal Opportunity.

Our third panelist is Ms. Diana Elliott with the Pew Trusts. Our fourth panelist is Dr. William Flores with the University of Houston-Downtown representing the Hispanic Association of Colleges and Universities. And our fifth panelist is Ms. Deborah Santiago who is with Excelencia in Education.

I'll ask you to raise your right hand and be sworn that you swear or affirm that the information that you're about to provide to us is true and accurate to the best of your knowledge and belief; is that
correct?

GROUP RESPONSE: Yes.

CHAIRMAN CASTRO: Okay. Great.

Mr. Pfeffer.

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

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

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

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

Today, I'll report on new evidence on how students' opportunities to attain higher education increasingly depend on their parents' wealth and why.
And I'll discuss why the stagnating expansion of college education will likely be hurtful for social mobility levels in the future.

Educational research often analyzes college students' socioeconomic backgrounds by focusing on their parents' income or their parents' own educational status.

I will argue that a refocus on parents and wealth is important to capture growth in educational gaps in particular when it comes to minority students.

Also, financial aid policy that does not fully take into account family wealth is bound to be ineffective in reducing socioeconomic and racial gaps in college attainment.

So, to begin, let me define "family wealth" or what is called "net worth." It is the total sum of all assets and debts held by a family.

This includes financial assets such as savings or money held in stocks, real assets such as housing wealth or real estate and any financial obligations such as mortgages or consumer debt.

Why is it important to relate students' educational outcomes to their family's wealth rather than just their income or their occupations?

First, wealth is distributed much more
unequally than any other socioeconomic resource especially across racial and ethnic lines.

Second, these wealth gaps have grown rapidly over the last few decades particularly since the recession.

By some measure, wealth inequality has nearly doubled in just the last ten years. And since wealth losses during the recession were especially pronounced among minority households, already large ethnic and racial wealth gaps continued to increase.

By 2013, the typical white, non-Hispanic household had a net worth of about $117,000. The typical African-American family held nearly $1,700. And the typical Hispanic family, $2,000 net worth.

In other words, the median net worth of whites was nearly 60 to 70 times that of minority households.

These large gaps in family wealth are closely tied to children's educational outcomes. Of children who grew up in the bottom 20 percent of the wealth distribution, only 15 percent gain access to college. And only about half of them, eight percent, leave college with a Bachelor's degree.

In comparison, children from the top 20 percent of the wealth distribution, nearly half of them
access college, and virtually all of them also graduate from college.

So, again, college graduation rates at the bottom versus the top wealth quintile are eight percent versus 48 percent, a 40 percentage point gap.

I should note that this relationship between family wealth and educational success remains strong even when taking into account other socioeconomic and demographic characteristics of these families such as their family structure or their income.

In fact, family wealth appears to be about twice as important as family income in predicting the likelihood of graduating from college.

Scholarly and public debate often focuses on rising income gaps in educational outcomes. The findings I just reported suggest that we should be equally, if not even more, worried about growing wealth gaps in education.

In my own ongoing work, I find that wealth disparities in higher education have recently intensified as children from the top net worth quintile are becoming increasingly more likely to attain a Bachelor's degree compared to their less wealthy classmates.

In the course of just one decade, these
children have enjoyed a surge in their college graduation probability by as much as 17 percentage points.

Since all of you in this room are interested in educational policy, I'm sure you can appreciate that a 17 percentage point increase in college graduation rates is a tremendous change.

The growth of family wealth at the top appears to have been quite effective in fostering college access and success for these children.

The jury is out to establish why exactly parental wealth contributes to the educational success. There is some evidence in favor of what some may consider the intuitive explanation. Parental wealth makes college financially accessible.

In addition, those who do gain access to higher education despite low family wealth may be more relying on student loans to finance their education. And these students, especially minority students, are more likely to leave college with or without a degree with higher levels of student debt.

In my own work, I argue that family wealth also appears to function as a private safety net. For instance, students may consider parental wealth as a form of insurance against college failure making them
more likely to decide in favor of college in the first place.

The link between family wealth and education ultimately also contributes to the reproduction of wealth across generations.

As in the past, this intergenerational persistence of wealth therefore contributes significantly to today's racial inequality in many spheres of social and economic well-being.

However, we also know that education serves as an important contributor to help break the intergenerational cycle of advantage or disadvantage, which brings me to the final part of my presentation.

A recent study from a co-author and me assessed the role of education in fostering social mobility across the last hundred years in the U.S.

Perhaps unsurprisingly we find that the expansion of college education over this period has increased social mobility. However, what is most interesting is how this positive affect of educational expansion came to be.

We show that the growth of the post-secondary sector has lacked the overall degree of social inequality and educational attainment largely unchanged.
Broader access to college does not necessarily entail equal access to college. Yet, educational expansion still had an important positive impact on mobility.

For those who do attain a Bachelor's degree, opportunities for further occupational success are largely disconnected from their social origins. In this sense, a college degree has been and still is a great equalizer.

Unfortunately, the success at increasing social mobility by educational expansion is one of the past.

The United States has surrendered its former leadership role in educational access and educational expansion has slowly come to a halt.

The main mobility-enhancing effect of increased educational access is therefore at stake. And combine that with the just-presented evidence in growing inequality in education especially tied to parents' wealth and the future of the American dream looks bleak indeed.

I thank you for your attention. I'm happy to take your questions.

CHAIRMAN CASTRO: Mr. Clegg.

MR. CLEGG: Thank you very much, Mr.
Chairman.

CHAIRMAN CASTRO: Turn your mic on, please.

MR. CLEGG: I'm sorry.

CHAIRMAN CASTRO: There you go.

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

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

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

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

Nonetheless, there are some significant caveats here and in my testimony today I will raise them.

My principal message is that it is a mistake to look at this area mainly through a racial lens in 2015. The problems are not really about race and the solutions will not be either.

If people are not going to the colleges they ought to, this is a problem regardless of the skin color of the people involved.

Before I get to my list of caveats, let me make one preliminary point. I'm not an expert demographer, but I would urge the Commission to be careful in describing precisely to what extent there actually are racial and ethnic disparities in education.

For example, the Pew Research Center has recently noted that in 2012 Hispanic college enrollment rate among 18 to 24-year-old high school graduates surpassed that of whites. 49 percent, 47 percent.

Here are my specific caveats. First, you don't have to have a college education to succeed in life, let alone a diploma from a top college.

In any event, not everyone should go to college, let alone a top college. I don't think that many would disagree with this in principle, though there
are strong differences in opinion about the extent to which these points are true. And I think that you're going to be hearing other witnesses on that point.

My second caveat is that minorities are not fungible. It is foolish to think that the problems here are the same for African-Americans as for Asian-Americans or for Arab-Americans as they are for American Indians.

And Latinos present different issues, too, and of course there are many different kinds of Latinos. Puerto Ricans, Cuban-Americans, those with other Caribbean or Central or South American ancestry, Mexican-Americans.

And indeed there are also many different kinds of African-Americans and Asian-Americans and Arab-Americans and American Indians.

To make only the most obvious points, it is much more likely that Asian-Americans are discriminated against in ivy-league admissions than African-Americans or Latinos are.

Conversely, whatever you think of giving racial preferences to underrepresented minorities, typically blacks, Latinos and Native Americans, no one can deny that it is aggressively practiced by many selective schools.
One last point here. Just as minorities are not fungible, neither are non-minorities, i.e., non-Hispanic whites.

There are many white groups and subgroups and many differences in wealth, culture, you name it, among them and within them.

My third caveat is that if some students are not going to college who should be, or are not going to more selective schools who should be, then programs, especially government-run or government-funded programs that help identify them, and then help them to go to college, should do so without regard to race or ethnicity.

Poor people come in all colors. Diamonds in the rough come in all colors. This nondiscrimination principle is true not only as a matter of fairness, but also as a matter of law, including constitutional law.

Fourth, the reason for the disproportions among different racial and ethnic groups and subgroups here in 2015 is likely not present discrimination or even principally rooted in past discrimination.

Certainly there are many causes apart from racial discrimination. Consider, for example, the fact that Asian-Americans and Latinos have each been discriminated against in our history, but the
educational outcomes in 2015 for the two groups are quite different.

And, as noted earlier, there are many subgroups within each group, which, in turn, also have different educational outcomes.

Fifth, my fifth caveat is that the principal reasons for the disproportions are instead cultural, and that's not really a matter of civil rights.

In particular, some groups have higher out-of-wedlock birthrates than others and it happens that these same groups also frequently put lesser premium on educational success than other groups.

Just briefly, more than seven out of ten African-Americans now are born out of wedlock versus six out of ten American Indians are born out of wedlock.

More than five out of ten Latinos are born out of wedlock versus fewer than three out of ten non-Hispanic whites. And fewer than two out of ten Asian Pacific Islander-Americans.

Those are enormous disparities among the different racial and ethnic groups. And whether or not your parents are married when you were born makes an enormous difference in likely social outcomes, including educational outcomes.
It would actually be surprising if there were no racial disparities in education given these marked disparities in out-of-wedlock birthrates and the high correlation between all kinds of social outcomes, including educational outcomes, in growing up in a home without a father.

I should note that there is also the problem confronting many African-American children that academic success is derided by their peers as "acting white." A book by Stuart Buck with that title documents this unfortunate phenomena.

I am strongly in favor of addressing these cultural problems, but, again, it should be done in a racially B it should not be done in a racially discriminatory way. It should be done in a racially nondiscriminatory way.

Out-of-wedlock birthrates, for example, have been climbing for non-Hispanic whites, too, with all the predictable and sad consequences.

There are plenty of non-Hispanic whites who fail to recognize the value of education for their children.

CHAIRMAN CASTRO: Your time is running out B it's actually run out. So B

MR. CLEGG: Oh. Well, it never turned
yellow.

CHAIRMAN CASTRO: Yes. Just wrap up there.

MR. CLEGG: Thank you. There are plenty of non-Hispanic whites who fail to recognize the value of education for their children and could learn from other Americans, many of them racial or ethnic minorities, about that value.

I had pointed in my testimony today to aggregate data about different racial and ethnic groups, but only to show that the reasons for educational disparities are not about skin color or national origin, per se, but instead about cultural habits.

And those cultural habits can be shared or rejected by individuals regardless of race or ethnicity. Thank you very much.

CHAIRMAN CASTRO: Ms. Elliott.

MS. ELLIOTT: Commissioners, thank you for inviting me to testify today. My name is Diana Elliott, and I manage the research on financial security and mobility of the Pew Charitable Trusts.

Our goal is to provide a rigorous, nonpartisan fact base about American families' immediate financial security and their long-term economic mobility.
In my testimony today, I will present Pew's research on the persistent black/white mobility gap in the United States and the power of a college degree to minimize this gap.

I will then present findings from Pew's recent survey of American family finances which show how financially burdensome student loans are for many black and Hispanic families.

Overall, a college degree is one of the strongest drivers of upward mobility for families of color, but the cost to pursue this degree may counter-intuitively affect their financial security.

As a country, we believe it is possible for someone to start poor, work hard and become rich. In other words, to move up the ladder. But among all Americans raised in the bottom fifth of the income or wealth ladders as children, four in ten remain stuck there in adulthood, too.

It is such stickiness at the bottom of the economic ladder that gives Americans pause. It belies the notion of equality of opportunity.

If we look at these same data by race, we see this is especially the case for black children. Half who are raised at the bottom of the income or wealth ladder remain at the bottom as adults compared with just
one-third of similar whites.

Considering that over half of all black adults were raised in the bottom fifth of the income and wealth ladders as children, compared with just a little over one in ten white adults, the data reveal unequal opportunity.

In the United States, upward mobility from the bottom is difficult, but for black Americans it is especially challenging.

Over the years, Pew has uncovered that a college degree is one of the most important drivers of upward mobility.

Among Americans raised in the bottom of the income ladder regardless of race, those who obtained a college degree were over five times more likely to move up a rung compared with those who also started at the bottom and did not get a degree.

This finding is further demonstrated in rates of upward mobility for black adults who attained a college degree regardless of their family's background.

In a Pew study, nearly all black college-educated couples with children had higher income than their parents at the same age and six in ten moved up at least one rung on the income ladder.
All black college-educated single mothers studied had higher income than their parents at the same age, and 83 percent moved up at least one rung on the ladder.

These findings reflect the considerable power that a college degree has for moving today's generation of black adults up the economic ladder, but the path to such an education has obstacles especially for those raised at the bottom.

Low-income families regardless of race have extremely low savings, meaning they cannot make the same extracurricular investments that more affluent families make on behalf of their children.

Neighborhood poverty contributes to stalled and even downward mobility for some, especially affecting black children who more often live in high-poverty neighborhoods.

Children from low-income families regardless of race are less likely to both enroll in two or four-year colleges and complete a degree when compared with peers from higher-income families even when equally prepared for college.

Taken altogether, these findings suggest that black children especially those that start at the bottom of the income and wealth ladders, face
considerable challenges with respect to economic
mobility. And a college degree improves these outcomes
in extraordinary ways, but the challenges do not end
with the receipt of a college degree.

Families of color feel more burdened by their student loans. New data from Pew's recent survey of American family finances reveal that young black student debtholders have more loans and fewer educational returns for this debt than their white peers.

Looking at the youngest generations of adults, or Generation X born 1965 to 1980, and Millennials born 1981 to 1997, we see that 44 percent of these younger black households reported owing money toward student loans compared with just 35 percent of similar white households. Both groups typically owing $20,000 towards such debt.

Just one quarter of younger Hispanic households had student loan debt typically owing $15,000.

Despite the higher than average rate of student loans held by younger black Americans, it is not clear that this debt fully funded their human capital investments.

38 percent of black Gen-Xers and Millenials
with student debt in their names owe for a degree they
did not complete, compared with just 26 percent of their
white peers.

Furthermore, they are less likely to owe
money toward more lucrative graduate degrees. Over
half of black and Hispanic Gen-X and Millennial student
loan borrowers do not yet have a Bachelor's degree
compared with four in ten white borrowers.

Most revealing, though, is the regret that
black and Hispanic student loan borrowers feel. Half
of black and Hispanic Gen-X and Millennials said they
would have found a different way to pay for school in
order to owe less money compared with just one-third
of white respondents who felt the same way.

What's more, only a quarter of Hispanic and
a fifth of black borrowers said they would do everything
the same with regard to their student loans compared
with 44 percent of white borrowers.

So, young black adults are over represented
among student loan borrowers, yet underrepresented
among groups realizing benefits from such debt.

Furthermore, the regret that they and
Hispanic borrowers feel about the debt they owe suggests
that student loans have been burdensome in their
financial lives.
As described in this testimony, a college degree holds considerable potential for promoting upward mobility from the bottom and helping to close the black/white mobility gap. Yet, loan costs bear heavily on young black adults in particular and are not always helping fund the degrees they need to get ahead.

Creating a more equal college opportunity structure would align with America's core beliefs in what is special about our country that the talented and hard-working among us should be able to realize their full potential regardless of their family background or race. Thank you.

CHAIRMAN CASTRO: Thank you, Ms. Elliott.

Dr. Flores.

DR. FLORES: Thank you. Let me put the microphone on. I'm speaking not only for the Hispanic Association of Colleges and Universities, I'm on their executive board and their governing board as well, but also as president of a university that is a Spanish-serving institution.

We have B University Houston-Downtown has 14,500 students of which 42 percent are Hispanic and 28 percent are African-American. So, we look very much like the state we serve.

HACU is one of the B as a professional higher
education organization is one of the fastest growing, because Hispanics are increasingly going to college. Where they are concentrated is in the community colleges. So, the majority of our members are still community colleges and four-year comprehensives such as the University of Houston-Downtown.

To give you an idea, our member institutions form 12 percent of the non-profit colleges and universities in the United States.

We enroll 20 percent of all college students in the United States, but 60 percent of all Latino students. There are 2.69 million Hispanic students in the United States.

Now, in Texas, 35 percent of all undergraduates in Texas are Hispanic. And most of them are in community colleges and four-year comprehensives.

Texas has, for example, 75 Hispanic-serving institutions. Another 47 are on the verge of becoming HSIs. As they reach 25 percent of their undergraduate student population, they will become a Hispanic-serving institution.

The University of Houston's system, of which UHD is a part, is the only system in the country where all of its component universities are Hispanic-serving.
One of the things is that reduction in state support, changes in Pell Grant, reduction in the number of hours that you can earn or be eligible for financial aid, all of those have had impact on Hispanic students. Particularly low-income and first-generation students.

The changes are often done with good reason. You want to encourage people to stay in college, but encourage them to take full loads. However, not all colleges or universities are composed of students that go full time.

University of Houston-Downtown, for example, we are a hundred percent commuter campus. No dormitories. 80 percent of our students are part time. So, they're not going to graduate in six years. They're going to graduate at the pace it takes them to graduate.

The way you need to fund and reward universities is not for six-year graduation rates, except for those that are predominantly residential institutions and particularly those that bring students from upper middle class and higher class backgrounds, but you have to reward them for graduating.

So, think of it as a marathon. You don't stop the clock in an hour or two hours. The average person can run it in two hours and 20 minutes. If it takes all day to get across the marathon, you're waiting
there and you're applauding them when they cross.

In America, our issue is the number of people who have degrees. So, we need policies that reward getting degrees and understand that they're going to enter at different times. So, we need policies and financial aid practices that support them in doing that.

First-generation students are the most vulnerable particularly if they come from low-income backgrounds.

We heard in earlier testimony of students who had to work going to college often helping raise a parent or younger kids, helping to take care of somebody or having to work extra hours.

I have students who take loans not for themselves, but to help their family so they don't have to work and then they can go to college. So, you have different situations with different kinds of students.

Today in the Houston Chronicle, there was an article about the STARs test, which is done throughout the state of Texas.

And in it, ironically and sadly, Houston Independent School District, which previously wasn't doing that great a job anyway, as a matter of fact, all African-Americans who take college prep courses and then say they were going to go to college, only 11 percent
meet college readiness standards in HISD. Only ten percent of Hispanics.

    Well, today the test results show that the gap between minorities is increasing and the failure rates on those tests is actually increasing.

    Those students if they're going to go to college, need more support. Need additional services. Need transitional programs.

    Those are programs that tend to be ancillary. So, you have to apply for them like TRIO Grants or other kinds of support programs rather than state aid or federal aid understanding that universities that serve these students must have additional resources to provide them the skillsets, the support and the success that will help them graduate and do it in a timely fashion.

    At UHD we've been very successful. Our students graduate - one of the things I'm going to - let me give you an example.

    It was a state report that was done three years ago looking at all 34 public institutions. Our students graduated with the third highest starting salary in Texas. Higher than UT, higher than Texas Tech, higher than A&M.

    In business, they were number one. In
psychology, number one. When you look at it from the standpoint of what our support from the state was and our tuition, we were the third lowest in tuition in the state, and the bottom in support in appropriation per student.

We could do a lot better job. Universities like us could graduate more with greater support and with policies that help us to do that. Thank you very much.

CHAIRMAN CASTRO: Thank you, Dr. Flores.

Ms. Santiago.

MS. SANTIAGO: Thank you so much for inviting me to be here and speak with you about my perspectives and Excelencia in Education's perspective about Latinos and socio-economic mobility.

We believe all students should have a shot at the American dream. And for us, that means that hard work and few barriers create that opportunity.

Unfortunately, and my colleagues have already shared it, we know not enough are getting there overall, and certainly Latinos.

And I think that's the focus of the work that I do at Excelencia in Education and why we're committed to having these kinds of conversations.

Why Latinos? I think this has been shared.
We're young, we're fast growing, we've got low educational attainment levels, high labor force participation and we're in low-paying occupations.

All that creates an opportunity when you look at those data and the data in my testimony, of opportunity to address socio-economic mobility and what we need to be doing to serve them well.

I'd also say, you know, for us Latinos really represent these post-traditional students. In our minds, you know, so much of public policy, and I'm guilty having been a policy analyst, is so focused on traditional students and educational pathways, but that's not the majority of our students today.

And looking at Latinos rather than a footnote or an aside, the start in looking at this population, I think, can allow us to look at issues in higher ed that seem intractable in different ways by using that lens of this young and fast-growing population. For us, that framing helps to compel action that really matters.

In Excelencia in Education, we find there is a great deal of ignorance about our students of today. And thinking of a post-traditional profile is helpful because when you look at the educational pathways to a four-year, we see students who need remediation, drop
out, return, not just Latinos, but certainly Latinos. Paying attention to the four areas you asked us to talk about; access, affordability, persistence and completion, do matter.

So, what I'd like to do is just give you a very quick snapshot of what we see is working in these areas to try and engage a little bit more in that part of the conversation.

And I do want to get to the socio-economic part. My background is in economics. So, I can't get away from that part of it.

So, I'm going to go through B not go through quite as many of the demographic things in order to be able to get to the socio-economic mobility.

In terms of access, we've seen real progress, but we also know that still only about a third of Latinos who go to college are prepared to go to college. And that means that we still have a lot of work to do.

So, we should celebrate our successes and know that there's more that we need to do in order to address the economic needs of our country overall.

The kinds of things that we see working, very intentional outreach, parental engagement, it's a family decision, you know. Over 40 percent of Latinos
who go to college are the first in their family to go and they tend to be low income.

So, these are factors that can work for others, but, again, looking at Latinos gives us a way to think and get into it. Programs like Trio that do intrusive advising, we've seen an impact in those overall.

The second issue, affordability, we've done lots of research talking to Latino students and others. And their college choices are often defined by things outside of conventional wisdom. It's based on cost, access and location.

And in conventional wisdom, we often think that it's based on financial aid, academic programs and prestige.

So, finding ways to reconcile the assumptions we make as policymakers and decision-makers with what students are actually deciding has an impact as we look to educational pathways and how we can be helpful to them.

Some of the things that we see work, we see work study works for Latinos. They're actually more likely to participate even though the average aid awards are a little bit smaller, because we tend to be a little bit loan averse.
Payment plans where you break up how much they pay so it's not all at once so they can pay as they go because they're working while they're going to college. And grants obviously do matter. These are things that we know work.

Persistence in completion, we know that the number of Latinos who are accessing college today is not equal to those that are completing. It's pretty simple math when you take a look at it overall.

And, actually, while we've got 14 percent of Latino adults have a Bachelor's degree or higher, 19 percent have some college, no degree.

So, we've got if there are no other data than that, those are clear references to persistence in completion we should be paying attention to.

And I agree with Dr. Flores. Graduation rates don't get us there, because these students are persisting. We have National Student Clearinghouse Data that shows they're continuing on. They're just not counted in our metrics anymore.

And their likelihood of completion isn't as high as we would like if they went traditional manner, but respecting the choices they're making and try to balance work, life, family is important as we look to the profile of what needs to go on.
What works in persistence and completion, we certainly see cohort models work very well. Students rely on each other for good information and support and access to institutional services.

I would say support services overall academic and student in nature have an impact. And intrusive advising we've seen really makes a difference.

These are things that cost. But if we want to see the return and success, we have to be willing to invest.

And it is kind of perverse that as we talk in public policy at the very time this population is ready to go and in larger numbers, we are retreating on the kind of investments and support we're making in these areas. It's a real challenge for us overall.

Socio-economic mobility woo, time goes fast. So, we've done a couple of series called Finding your Workforce. And we looked at health and STEM. For us, we know those are the fast-growing populations in our country -- I mean occupations in our country.

So, we looked at just 2013 and health. We just released this two months a month and a half ago. The majority of Latinos getting degrees in health are at the certificate and associate level. 75 percent who get degrees are at the certificate and Associate level.
They're not making it to the four year.

Well, when we looked at socio-economic mobility if you're in the labor market in support and Latinos represent 16 percent in the support area, they make 20 to 32,000.

If you're a practitioner, and only eight percent of Latinos in health are, you can make 80 to 185,000. That's a real difference.

You want socio-economic mobility, let's get them from certificate to Associate to Baccalaureate. Let's meet them where they're at and make sure they get to what we need them to be.

In STEM, we do see more Latinos getting at the Baccalaureate level, but we know that's baseline for STEM fields, right. Certificate isn't going to get you there.

Two percent of institutions award a third of all credentials to Latinos in STEM. And, again, where Latinos are more likely to be in the support fields, 23 percent versus five percent at the professional level. And the difference is between 40 to 75,000 to $120,000 plus.

So, socio-economic mobility requires that we pay attention to the pathway and make sure these B they are investing and my colleague here said we do value
education B we do value higher education B I don't know why it's not working, but I'll just speak louder.

But we have an aspiration and not an actualization. We have the ability to address the actualization, because the aspiration is there. Thank you.

CHAIRMAN CASTRO: Thank you, Ms. Santiago.

Commissioner Achtenberg, do you want to lead off?

COMMISSIONER ACHTENBERG: Dr. Flores, could you talk a little bit about what it means to be a Hispanic-serving institution, where that criteria is set out and what kind of funding is associated with being an Hispanic-serving institution?

DR. FLORES: Well, unlike historically black colleges and universities that have special funding for B and rightly so because of the historic importance of those institutions, HSIs are set up by the federal government as a category.

If you have 25 percent of your students that are Hispanic, undergraduate students, and half of them are Pell Grant or meet low-income standards specified by the Department of Education, then you will qualify to apply for federal funds.

The different -- different agencies have
established set-asides

CHAIRMAN CASTRO: You need to

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

So, the agencies have established
set-asides in commerce, in agriculture, in others that
only Hispanic-serving institutions could apply for.

So, that is an advantage at least for research and support, but it also helps you to build your infrastructure and the scientific for your faculty,
often a research background, a publication record so that they can apply for NSF grants, HSI -- other departmental grants that don't have HSI grants.

COMMISSIONER ACHTENBERG: Thank you.

You also mentioned that you're the president of University of Houston-Downtown. And as we were talking before the panel convened, you've had a lot of success in raising the persistence and graduation rates of Hispanic and African-American students on your campus.

What works and what could use further targeted investment if such investment were to be forthcoming to actually move the completion needle?

Because completion, as Ms. Elliott said, it's the Baccalaureate degree that garners the social and economic mobility same as underscored by Ms.
Santiago and further provided by Dr. Pfeffer.

DR. FLORES: Right.

COMMISSIONER ACHTENBERG: So, I'm interested in completion.

DR. FLORES: Well, one of the things that we have been doing in the last five years since I have been president, is we took a lot of the practices that we were doing basically funded by federal grants or by state support, we analyzed the data, we saw practices that were working and we decided let's take them to scale.

And, also, if those practices worked in one or two barrier courses, could they work in other barrier courses, supplemental instruction, early alert where we have B if a faculty member sees their student is not showing up to class, notifying an advisor, directing the student if they're having problems.

For one, students were not taking exams until the middle of the semester. So, they were midterms. So, we moved up the testing to the third and fourth week. Then we could find out how the student was proceeding.

If they weren't doing well, get them into a math lab, into tutorials, into supplemental instruction. Those are costly interventions.
We have programs in the summer where students are put through like a boot camp to get them college ready and then retested.

We went from two-thirds of our entering freshman, actually 80 percent requiring at least one developmental education course five years ago. Today, 24 percent of our entering freshman require one developmental course.

And that was mainly because we started testing early, we did intervention, we did a diagnostic, then tutoring and getting them prepared so that they could retest and enter in the fall college-ready. So, there's many programs like that.

I think the most successful has also been tearing apart some of our barrier courses working with faculty.

I gave you the example of biology. We had an 80 percent D, F and W rate as well as incomplete in intro biology.

We got some faculty to stop the lectures, do it all practice-based. We went to 80 percent A, B and C rate in -- same final.

Of more impressive is the students B we had in our second cohort, five of those students are B had a paper with their faculty member accepted for
publication as freshmen.

We had them work on identifying viruses. Out of 48 students, 44 of them identified viruses' phases that had not been put on the National Register. So, we're able to name those, put them on the National Register.

As a freshman, can you imagine a discovery that you're making? It changes your life and it changes your avocation.

So, students who are taking that biology course because it was compulsory suddenly said, I want to become a scientist.

CHAIRMAN CASTRO: Okay. I'm going to ask a couple questions, then Commissioner Kirsanow will have the floor.

Mr. Clegg, I always appreciate hearing from you, because I find what you say very interesting sometimes and I enjoy the back and forth when we talk, but, you know, you mentioned that diamonds in the rough come in all colors and, you know, I agree with that.

The only problem is that when we're talking about these issues, for some reason the darker diamonds tend to be in the worst mines and the less-kept mines and the poor mines and the miners don't tend to provide the best equipment to shine those diamonds up and cut
them up like the lighter diamonds.

And so, when you say not everyone needs to go to college, not everyone needs a diploma, not everyone should go to a good college, I'm concerned about that, because it's almost a paternalistic argument that I've heard from others whether it's Affirmative Action, well, you know, maybe they shouldn't be going to the best schools, because they're not going to really do well there and it's going to be tough on them. Maybe they should go to the less prestigious schools. Maybe they should not apply to the Harvards and the Yales.

Now, you went to Rice University and Yale. Would you say that maybe you shouldn't have gone to college or maybe your life isn't better because you got a college degree and that you went to a university like Yale to get your law degree?

MR. CLEGG: Well, you said a lot in that question and I think it's quite unfair, you know. You characterized what I said as being very mean-spirited in a way that it's not.

CHAIRMAN CASTRO: I don't mean for it to be mean-spirited.

MR. CLEGG: Well, you know, that's the way you characterized it. It is true that not everyone should go to college. It is true that not everybody
should go to the most prestigious colleges.

    I say that not because I look down on or wish ill to people who shouldn't go to college or shouldn't go to the most prestigious colleges, you know. That is just a fact. And if we're making public policy, we have to recognize that fact.

    And you also make it sound like that there is something sinister going on when, you know, the black diamonds in the rough or the Hispanic diamonds in the rough are not found, but there are lots of white and Asian-American diamonds in the rough that aren't found either.

    And it's not because of anything discriminatory. I don't think that there's anybody out there saying that, well, you know, this is a white diamond in the rough and we care about this person and we're going to make sure that they go to Rice or they go to Yale, and this person here is African-American and we don't care about them. There are non-discriminatory reasons why that happens.

    Now, as I said in my testimony, if there are people who should be going to Rice or to Yale who are not, then by all means I am in favor of coming up with programs that ensure that they go, that they get the opportunity to go to Rice or to go to Yale.
But my point is that those programs should not focus on the skin color or what country that person's ancestors came from. That's what I'm saying.

And I'm not saying that I don't appreciate the advantages that I've had in life. I'm very grateful that I was able to go to Rice University, which was not all that expensive, by the way, at the time that I went there. And that I was able to go to Yale, which was more expensive, but not as expensive as it is now.

But, you know, the principal reason, I think, that I had those advantages was not because of my skin color. It's the same thing to thank that most people have to thank, and that is my parents.

And the principal point that I'm making here is that people of any color whose parents are married, are going to do better.

And these huge disparities that we see among different racial and ethnic groups mirror the disparities that we see in out-of-wedlock birthrates.

I mean, as I said, more than seven out of ten African-Americans, more than six out of ten American Indians, more than five out of ten Latinos, versus fewer than three out of ten non-Hispanic whites, versus fewer than two out of ten Asian-Americans.
Now, you line that up and you ask, does that fit pretty well with how well the different groups are doing in American life?

Whether we measure in terms of educational outcomes, which is what we're doing here today, or in terms of wealth, which was what Professor Pfeffer was talking about, or in terms of crime, you know, you name the indicator and it is, I think, correlated with the kind of home life that that person had.

CHAIRMAN CASTRO: You indicate that now in 2015, racism, racist teachers, racist school systems certainly can't be the case, not now.

But, you know, we were at the Justice Department earlier today and they've got over a hundred active desegregation cases in 2015.

All you need to do is look around this country to see the interaction between police officers and communities of color to see that there are issues of race that impact the daily lives of individuals in this country. Yeah, it would be great if race weren't a factor, but it is.

And you point out in your reference to single-family households, which is interesting data, I'd like to see how well some of those white students, white individuals who come from single-family homes,
how well they do in comparison to minorities who come from two-parent households.

Because there's some interesting data, I think you, Ms. Elliott, talked about with regard to the individuals in the lower economic rungs that regardless of that movement you said whites raised at the bottom were two times more likely to experience movement up the income ladder than blacks regardless of whether or not they had a college degree.

So, what you're saying is even if a black individual has a college degree, a white individual may not and still leap farther than them.

Could you go into a little bit of that, I mean, because to me it seems, therefore, that there is an issue of race there somewhere not even buried deeply, but clearly there are racial inequalities here.

MS. ELLIOTT: Sure. So, that was from a brief that we did on upward mobility from the bottom. And we get asked a lot, you know, what's special about those who are able to leave the bottom. Right?

We know that there's a lot of stickiness at the bottom, but people do move up. So, what's special and unique about them?

So, we did an analysis to try to understand that. And we did a logistic regression where we were
trying to understand B sort of a fancy way of analyzing these data trying to control for various factors that might be associated with movement up.

So, some of the factors that we looked at were actually presence of two earners in a household is highly likely to move you up a rung on the ladder.

College degree, though, was the biggest one. Five times more likely because of a college degree to move up that ladder, but above and beyond race simply in and of itself was important here.

So, this is, again, controlling for all of these factors. Each of these three stood out for promoting mobility up from the bottom.

CHAIRMAN CASTRO: Commissioner Kirsanow.

COMMISSIONER KIRSANOW: Thank you very much, Mr. Chair. And thanks to all the panelists. This has been very instructive.

You know, we seem to be throughout the hearing today focusing on demand side in terms of college costs versus supply side.

We're saying, well, how much? We have to give more money to individuals to go to college and we really haven't addressed why is college so expensive?

And so, I mean, when I went to college back in the Mesozoic era, my total tuition, rent, food cost
was $5,000.

When my daughter went to the same college mainly to rehabilitate the family name, it was $40,000. And it's now more than $60,000 far outstripping the cost of living increases during the same period of time.

So, I'm impressed by what Dr. Flores had to say, because it really gets to the level of the matter. I think you had said that your school, University of Houston-Downtown, actually beat UT, Texas A&M and others in terms of things such as lowest tuition rates, yet you still graduated people with the highest starting income.

What's UT, Texas A&M and all these other colleges doing wrong?

DR. FLORES: I'm not sure if you'd state that they're doing wrong. I think B

COMMISSIONER KIRSANOW: Well, you're doing something right.

(Laughter.)

DR. FLORES: Well, let me tell you what we are not doing. We are not trying to be a Tier 1 institution ranked by U.S. News and World Report.

And I think a lot of those institutions are there to compete with each other to see who can have the biggest stadium, who can have the biggest sports
arena or the biggest B the most luxurious rec center, the most luxurious dormitories.

We don't have dorms. We have a very small gym. We focus on basics. We focus on learning. We focus on undergraduate research, getting students early on working with faculty, getting them internships, getting them capstone experiences where they actually get jobs.

As sophomores and juniors, our total, by the way, for tuition, we have a guaranteed four-year tuition rate at $27,000. So, that's hard B we're also in the most expensive square foot area, which is downtown Houston, of any university in the state of Texas. So, yeah, we're doing a lot of things right.

COMMISSIONER KIRSANOW: I congratulate you. I have another question for Mr. Clegg.

DR. FLORES: Oh, by the way, the other thing is we ran some data on our students who graduated in six years the last three cycles. We did this last year, not this year yet, but we found that 29 percent of our students graduated with zero out-of-pocket expenses.

50 percent graduated with less than $10,000 indebtedness. So, we really work to keep the costs down and the opportunities up.

COMMISSIONER KIRSANOW: Well, it seems
like you're doing something right and you should be
emulated.

Got a question for Mr. Clegg. At your
organization or while you were at the Justice Department
Civil Rights Division, were you aware of any financial
aid programs, any scholarships, merit-based programs,
grants or anything else that discriminated on the basis
of race, sex, age, national origin or any protected
class?

MR. CLEGG: Sure.

COMMISSIONER KIRSANOW: Okay. Could you
please tell me which ones those were?

MR. CLEGG: Well, one of the things that I
did when B well, I should say two things. As far as the
Justice Department, my time at the Justice Department,
I don't recall working on anything involving
scholarships at that time.

Now, there were admissions policies that
I think actually we investigated admissions policies
in the University of California system, I think,
particularly at Berkeley that we had good reason to think
were discriminating against Asian-Americans.

I don't recall anything else, though, in
terms of educational, you know, higher education
policies that were B well, we also brought a lawsuit
against VMI for sex discrimination in admissions, a
lawsuit which I did not think was a good idea.

Since coming to the Center for Equal
Opportunity, we have looked at lots of colleges and
universities. And through the magic of the internet,
you know, you're now able to go to university websites
and, you know, you click on the financial aid part, you
click on the scholarships.

And we found a lot of scholarship programs
that were not just racially preferential, but were
racially exclusive.

That is, there were scholarships that you
could not even apply for unless you were this or that
color and that you were disqualified from applying for
if you were a particular color.

And we wrote to those schools. This was
both before and after Grutter, but I think most of the
letters went out after the Grutter decision.

And we pointed out that the Supreme Court
said that if you're going to use race and ethnicity in
a higher education context, you still have to get
individualized consideration.

And we said, if you have a scholarship that
you can't even apply for based on race, you're not giving
individualized consideration. So, you need to change
the requirements for the scholarship or else we will file a complaint with you with the Education Department.

And the Education Department at that time took those kinds of complaints seriously. And so, you know, we succeeded, I think, in getting B and I think it is still the case that most schools now don't offer scholarships on a racially exclusive basis. Don't offer, you know, fellowships and things like that.

They are still out there, unfortunately, but I think that most of them don't do it.

I should say that, you know, we did not play any favorites, you know. Occasionally we would find a program that was racially exclusive for whites. Sometimes just for whites.

I remember in one instance sometimes it was for a white ethnic group like Italian-Americans or something like that and we made the same point. We said, you can't do this.

So, yeah, those programs are out there. I think that, you know, fortunately most schools B and, you know, the first school that we wrote to, I think, was Princeton. And then we wrote to MIT. And we've written to Harvard and Yale.

And all these schools agreed that it didn't make sense to have these programs available on a racially
exclusive basis. And I think that B I think and I hope that that's the predominant practice now.

Now, they may still take race into account. I'm not saying that they're not B that they don't give preferences and that they don't weigh race the same way that they may weigh race in admissions, but at least they're not racially exclusive anymore.

COMMISSIONER KIRSANOW: And in terms of admissions, are there preferences that you've observed, and how widespread are they?

MR. CLEGG: Well, yes, I think that, you know, most schools don't deny, or most B I don't want to say most. That's not true.

Most selective schools, I think, admit that they do weigh race and ethnicity unless they are in a state that has banned such discrimination. And as you know, there are a number of states that, you know, have banned that kind of discrimination.

However, we have, you know, used Freedom of Information Requests to get admissions data from lots of universities and we've done a regression analysis to see whether it appears that race and ethnicity are being weighed in admissions and how heavily.

And we have found that not only is it the case that racial and ethnic discrimination is going on,
which, as I said, most of these -- a lot of these schools admit, but that they are weighing race and ethnicity much more heavily than they like to admit.

CHAIRMAN CASTRO: Commissioner, I'm going to give it over to Commissioner Achtenberg.

COMMISSIONER KIRSANOW: Just if you could answer the how, how heavily

MR. CLEGG: Oh. Well, you know, these schools are B these studies are on our website and the conclusions are expressed in terms of odds ratios.

So, as I recall, the worst law school we found, I think, was in Arizona. And the odds ratios were like over 1400 to one. Something like that.

As I recall at the University of Michigan, and this was after they had lost before the Supreme Court, you know, for students who had particular SAT scores and high school grades, the difference in your chances to admission if you are white or Asian-American versus Latino or African-American could be, you know, the difference between having a one out of ten chance of getting in versus a nine out of ten chance getting in.

CHAIRMAN CASTRO: Commissioner Achtenberg followed by Commissioners Narasaki and the vice chair.

COMMISSIONER ACHTENBERG: I would only
point out after having been a trustee of the California State University system for 15 years, I'm no longer a trustee. So, I have no official axe to grind in this regard.

And having become familiar with the systems B the comprehensive universities, which Dr. Flores represents and which is represented by the universities like the California State University, the Louisiana system, we'll hear from Brit Kirwan from the University of Maryland, also a comprehensive state system, where the bulk of the many millions of students who are enrolled in Baccalaureate degree programs are educated.

I'm not talking about the highly selectives. I'm not talking about the ivy leagues. I'm not talking about any institutions that have to deal in Affirmative Action or any form of racial preference - these are the universities where the bulk of the workforce is being educated in every state in the Union, including the District of Columbia.

In California, 60 percent of the nurses, 70 percent of the teachers, 80 percent of the social workers and workers in criminology, 70 percent of the business people who hold a Baccalaureate degree are all educated in the California State University.

And we're going to hear from the chancellor,
Tim White, tomorrow about the various kinds of progress that that system has been making in terms of improving education across the board at an affordable price and enhancing achievement among all groups also disaggregated for race. So, it's enhancing achievement among Latinos and African-Americans as well.

So, there's an important picture to be painted there and I think that's really the question we're trying to grapple with, or at least the one that motivated me to ask my colleagues to use this concept paper to undergird these hearings and hopefully to provide the basis for a report that this Commission would issue about the impact, disparate or not, of current education funding policies on the achievement of the Baccalaureate degree disaggregated by group.

I would like to turn to Dr. Pfeffer and ask with wealth inequality doubling over the last ten years, does that mean it's even harder for someone in the low-income group to achieve the Baccalaureate degree and/or does it mean that if one achieves the Baccalaureate degree, is one at least equally as likely to enter the middle class with that degree as the ticket?

Are those, I mean I'm a tad confused about what means more.

MR. PFEFFER: Well, I would say yes. I
would say yes to both in some sense. So, the inequalities in access to college education has grown with the growth in wealth inequality.

In fact, what I've cited as this doubling of wealth inequality in the last ten years isn't even taking into account in what I've talked about before in how the students from very wealthy backgrounds have pulled apart from everyone else.

We need to observe how wealth inequality has grown in the parent generation and then track down the children, you know, ten, 15, 20 years down.

So, what I told you about this 40 percentage point, you know, gap, that related to a period in which wealth inequality was growing, but slowly.

In some sense, you could project out and say, you know, we already know what happened to inequality in the last few years and we can project out by what happened to the children who grow up today.

If you just apply that, you know, analysis that I've done to the future, these wealth gaps would not be 40 percentage point, but be 70 percentage points.

So, the growth in wealth inequality seems to be tied to the growth and wealth gaps indeed.

On the other hand, for those who do attain a Bachelor's degree, it is still the case that their
socioeconomic origins cease to have direct impacts on	heir socioeconomic destinations.

Inequality going into who gets a college
degree. But once you get there, you know, you sort of
disconnect from your backgrounds.

I would also, if I may, like to answer in
response to some of the debate that we started here,
explain why really I wanted to focus on wealth at this
commission.

So, without, you know, a personal
reference, but Mr. Clegg did note that he was grateful
to his parents for being able to attend Yale.

Now, I hope I'm not dating you, but I would
assume that your parents when they were faced, for
example, with the decision to purchase a home, that that
decision happened in a time when African-Americans were
actively excluded from the opportunity to purchase a
home in a specific neighborhood.

What I'm saying is it is not that long ago
that we actively prohibited asset accumulation by
minorities. I think it's worth pointing this out in
this forum.

So, when I say that, you know, the typical
African-American has five cents or four cents on the
dollar for the white family, you know, the white family
having 60 to 70 times more wealth, we should not forget where that comes from.

So, we can debate, and I'd be very happy to engage in that debate, what the level of active discrimination is in today's society. There is actually very good social scientific research on that, but we should not forget where today's wealth gaps or at least a large part of them stem from, from active exclusion from asset accumulation not that long ago.

And we're talking about the parents or often the grandparents of today's students. And, remember, we have Grandparents Visit Day on many college campuses. Why? Because they finance education.

COMMISSIONER ACHTENBERG: Thank you.

CHAIRMAN CASTRO: We have next Commissioner Narasaki followed by our vice chair.

COMMISSIONER NARASAKI: Thank you, Mr. Chair. I have a few questions for Mr. Flores, and then some questions for Mr. Clegg.

So, you mentioned, Mr. Flores, that you think the measurement for success should not be four or six years completion.

DR. FLORES: It should be one measure, but not the only measure.

COMMISSIONER NARASAKI: Yeah. So, I'm
wondering what the alternative or additional measure is since we hear a lot about, you know, the challenge of low-income students, or particularly minority students, in terms of their ability to actually graduate in six years.

And then the second question I have for you is, if you could clarify - I'm a little concerned because this hearing is partly focused on the issue of should our recommendation be that Congress needs to increase its investment, federal dollars going to things like Pell Grants and TRIO and those programs, or to schools directly so that they could provide greater support programs, or should they not, or should they do something different?

And I'm a little concerned that the great success you've had might be misconstrued and I don't know, I'm just trying to clarify - as saying, you know, no, schools just need to do what you're doing and the federal government can get out of the business.

So, I just wanted clarification on that.

DR. FLORES: Well, first, on that question, we do get a lot of federal dollars. We get a lot of state dollars. We apply for grants for foundations. We could not do it solely by ourselves.

We reallocate resources every year.
Whenever there is a position that becomes vacant, I look at, and the provost looks at, where could that position be better used? And we invest in the areas that -- are important for our metrics.

Now, one of the things that's important for me -- so, first of all, yes, we need more money for Pell Grants. I think all universities do.

I think as was talked about earlier today, that there should be the utilization of federal dollars as a way of encouraging universities to have more students from low-income backgrounds and success rates with those students.

I'm sure you're going to hear from the Education Trust tomorrow and they allotted that up on how universities, particularly Tier 1 institutions, have not done a good job in bringing in students and graduating students from low income. So, we need encouragements for both private and public universities.

So, we can change policy, we can reallocate federal dollars. I think we need to increase the Pell Grants for students, because the reality of it is costs have continued to increase.

Getting back to the question that Commissioner Kirsanow asked, one of the biggest drivers
in higher education is increased cost of tuition.

30 years ago states were picking up 82 percent of the cost of higher education. In our campus right now, state support is down to 26 percent.

So, you can't just keep cutting. You've got to offset that somehow. And so, the only thing you can do is raise tuition and fees.

So, it's you're condemning universities for raising tuition and fees where really I think the onus has to be placed on the state governments who are reducing support to higher education. So, that gets back to the policy question.

You had an earlier question that you asked?

COMMISSIONER NARASAKI: The issue of this -- If you're not in addition to using four and six-year graduation markers, what else would you use?

DR. FLORES: I would look at one of the things we do successfully is we get a lot of transfer students.

What we've tried to do is lower the cost overall for students by increasing the number of students who come to us already with college credits.

So, we've formed partnerships with high schools for dual credit so that they're earning college credit while still in high school. And we actually have
in several community colleges in Texas, who have early
college programs jointly with high schools.

So, students can actually graduate with an
Associates Arts degree and a high school diploma. And
usually they will earn that before they get their high
school diploma. That has dramatically reduced by two
years the cost of tuition.

Now, then there's a cost to that that needs
to be offset somehow. So, we need federal and state
supports to programs like that.

Also, we have reverse transfer agreements
with community colleges. What we've built in with the
University of Houston-Downtown is agreements so that
when B we have data that shows that students who
transfer, but don't have an Associate of Arts degree,
they have a high likelihood of not succeeding.

But if we get them, help them to get their
Associate of Arts degree while they're still at UHD,
their likelihood of graduating not only with a degree
in hand, but with a four-year degree increases. So, we
sign reverse transfer agreements with our community
college partners.

What that has done is it meant that for the
first time students were now getting a degree. They
were going back and participating in a graduation
That increased the likelihood that they were going to graduate from us. So, I think you have to work with the institution. Let them set the metrics.

The real metric that's important to this country and that President Obama has talked about is increasing the number of certificates and degree holders and the percentage getting back to being number one.

And so, everything has to be from that merit. It's not from the standpoint of how long it takes you to graduate, but increasing the number of people who do, the number of people who become teachers and lawyers, et cetera, et cetera. So, you build in metrics to encourage that.

COMMISSIONER NARASAKI: Thank you.

So, Mr. Clegg, we've debated this issue many times. And as you know, my viewpoint on Affirmative Action is based on my own personal story, which is way back in the Paleolithic era.

Along with Commissioner Kirsanow, I benefitted from Affirmative Action when there are far less Asian-Americans on campus.

And today, as hopefully we'll hear more later by someone who is testifying later, there are some
Asian-American ethnic groups with colleges who are doing it right who are benefitting from efforts on their behalf.

I appreciated Mr. Pfeffer's story about wealth, because that's actually what happened in my family.

My parents were B when they went to buy a house after my dad went to college after serving in the military, there were only certain parts of Seattle he was allowed to buy, because there were racial covenants against Orientals buying homes. So, he bought - we bought in the south part.

And after he died when we went to sell the house, the house had not appreciated as much - nearly as much as most of the rest of Seattle, because of the area that we were limited to buy in.

And I think that is a reality, because wealth becomes the basis on which you use to fund education, right? Because you can mortgage your house or you have more security about being able to invest in your kid's education if you own your house and you know that you're growing wealth. So, I think that was a very important contribution.

MR. CLEGG: And of course now people who tell that kind of story are being discriminated against
COMMISSIONER NARASAKI: Well,

MR. CLEGG: -- because of their ethnic background.

COMMISSIONER NARASAKI: -- where I take issue from that is

MR. CLEGG: And I'm not

COMMISSIONER NARASAKI: Because you referred to Berkeley, right? And Berkeley lost, right? I think if it's the same case, Berkeley lost.

And what I get concerned about is I feel that often there's a confusion between intentional quotas against groups based on different minority groups, which I think was happening at Berkeley, versus Affirmative Action, which is helping other minorities

MR. CLEGG: Well, if you are discriminating against

CHAIRMAN CASTRO: Let her finish her question.

MR. CLEGG: If you are discriminating in favor of some groups, then you are discriminating against other groups.

COMMISSIONER NARASAKI: Roger, can you - is it okay if I can finish, please?

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

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

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

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

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

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

So, I'm saying that, you know, you noted
quite correctly that there are different realities for each community.

And so, what we're trying to do is understand how these programs impact the different communities because of that reality.

MR. CLEGG: See, I also think it's important, though, that we not use race and ethnicity as a proxy for these other variables. And, you know, my answer to Professor B

COMMISSIONER NARASAKI: I don't think we are B

MR. CLEGG: B is that, if, in fact B

COMMISSIONER NARASAKI: Roger. Roger.

MR. CLEGG: -- wealth is B if there are poor people out there who can benefit from scholarship programs or whatever, I'm all in favor of having those scholarship programs be available to them, but why treat a poor white person differently from a poor black person?

Or worse, why are we assuming that a poor white person is less deserving of a --

COMMISSIONER NARASAKI: Roger, this is --

MR. CLEGG: -- scholarship than a middle class or upper --

COMMISSIONER NARASAKI: Roger, but this is just --
MR. CLEGG: -- class black person.

COMMISSIONER NARASAKI: -- what I'm trying to say is I don't think that Pell Grants or these loan programs actually do that.

So, that's why I'm a little confused that the issue is being raised, because from my understanding that is not what those programs do.

So, I'm just trying to clarify --

MR. CLEGG: Well, I --

COMMISSIONER NARASAKI: My clarification from you is, do you think that these programs have a racial bias in which case, you know, I think it's important to discuss it, or not?

MR. CLEGG: No, I think that some programs out there, some scholarship programs out there, as I was discussing with Commissioner Kirsanow, do discriminate on the basis of race and ethnicity. Others do not.

COMMISSIONER NARASAKI: But I'm talking B

MR. CLEGG: And the reason that B

COMMISSIONER NARASAKI: Wait. Wait. Wait. Can I just clarify? Because I'm talking about federal programs. We're talking about federal programs. We're not --

MR. CLEGG: When you say "we," I mean --
COMMISSIONER NARASAKI: The Commission. That's what the hearing is about is the federal programs.

MR. CLEGG: Where does it say that?

COMMISSIONER HERIOT: If it doesn't have to do with race and gender, then we're not allowed to be looking at it. That's our jurisdiction. So, I don't get what you're saying, Commissioner.

MR. PFEFFER: May I respond?

CHAIRMAN CASTRO: Let's let Mr. Pfeffer respond and maybe that will B

MR. PFEFFER: And probably to bring it back to the policy angle then is I was also, I have to admit, a bit surprised to hear that there is discrimination in the allocation.

The one area where I would see this is since we talk about home equity now, in 1992 there was an amendment to the Higher Education Authorization Act that excluded home equity from the calculation of financial aid. This is something we can talk about, right?

So, if we are concerned about the reauthorization of the Higher Education Act, the question is if there are these longstanding disparities in wealth that are often, especially for the middle class, tied to home ownership and home equity, why don't we pay attention to home equity in the calculation of
financial aid?

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

MR. CLEGG: And see, I would add to that that if you have several individuals out there and, you know, we could have a very long and boring discussion about to what extent, you know, each individual can trace his or her poverty to discrimination. And my point is, what difference does it make?

If somebody is poor and needs financial aid, why do we care if this person is able to marshal some social scientists who can show that, well, you know, we can trace this person's poverty to slavery, this person is poor only because his grandfather was a drug addict, this person here is poor only because he's a recent immigrant from Mexico.

Why do we need B

CHAIRMAN CASTRO: So, we're going to move on because we're running out of time. And we still have two commissioners who want to ask questions.

And I'm sure they'll probably ask you some questions, too. So, you'll get a chance to keep talking.

Vice Chair and then followed by Commissioner Yaki. And that may wrap it up, actually.
VICE CHAIR TIMMONS-GOODSON: Thank you very much, Mr. Chair.

Dr. Pfeffer, I've listened with a lot of interest as you talked about family wealth and family income, you know.

I often hear of other African-Americans who have been fortunate enough to achieve a college and/or professional degree talking about themselves and it all admitting that we're just one generation away from poverty.

And so, your statement, and I quote, to the effect that it's doubtful whether fostering mobility through broadening access to post-secondary degrees will be maintained in the future, I hope you're wrong on that, but I wanted to know how it is that you came to that conclusion if you would, please, talk to us a little bit more about that.

MR. PFEFFER: Uh-huh, I'd be happy to. Thank you for the question. So, this is B and I skipped over some of this in the interest of time, an interesting finding from a recently published study that I did that asks why exactly was the broadening of college education successful at increasing mobility? So, that's the finding that we came up with, which probably isn't all that surprising.
And I think intuitively many believe that, well, you know, if more people go to college, that means it's probably, you know, there is more equal access to college.

That is not the case. In fact, in the U.S. over the last 50 years and in many of our OECD nations, it has been shown that with more people going to college, it does not necessarily mean that the chances to attain a bachelor's degree becomes more equal.

Think of it as a pie. The pie grows, but the slices stay the same, right? The question is, who takes advantage of these additional vacancies in higher education?

So, that's sort of the bad news that the broadening of, you know, the expansion of that sector has not really reduced inequality, but there is an important contribution it has made to mobility.

And that is as I've referred to before, this, you know, this idea of the college degree as the great equalizer.

Once you do hold a college degree that has been shown in the '80s and most recently in that publication, your social background ceases to have direct impacts of where you go next.

So, the more people you get to that level
for more people for a larger share of the population, social background ceases to have further effects on their labor market careers.

And if that is the affect that educational expansion had on mobility, that alone, that mechanism alone contributed to increasing mobility.

Now, unfortunately, for the last 30 years, educational expansion has slowed down and come to a complete halt and we're falling behind other nations. So, that avenue, that effectively has been shut off in terms of increasing mobility in the future.

VICE CHAIR TIMMONS-GOODSON: One other quick question for Dr. Flores. One of our earlier presenters indicated to us that in terms of looking at graduates from historically black colleges and universities, you can see a large representation of them in graduate and professional schools. That while HBCUs graduate a fairly small percentage of black graduates, they are over represented, so to speak, in the numbers of masters and Ph.D.s.

I was wondering when we look at Hispanic B what's the phrase? Hispanic-serving institutions, whether there is any data out there with regard to --

DR. FLORES: Well, that has changed over time because as Hispanics have become more than entering
college, they're also entering other institutions.

So, for example, my son went to Stanford. My daughter went to Berkeley. I went to UCLA and Stanford, you know. I was very fortunate in being able to go to those kinds of institutions, but, still, for the most part it's where the majority of Hispanics get their undergraduate education is in an Hispanic-serving institution.

VICE CHAIR TIMMONS-GOODSON: And that's what I'm asking.

DR. FLORES: Doesn't mean that that's all, but that's the majority.

VICE CHAIR TIMMONS-GOODSON: And that's what I'm asking. Looking at those that are graduating from the Hispanic-serving institutions, how are they in terms of our numbers, in terms of masters and Ph.D. programs?

Do you have any data on that?

DR. FLORES: I do not with me.

VICE CHAIR TIMMONS-GOODSON: Okay.

DR. FLORES: We can get that data. Just to give you an idea, we only have 14,500 students, but we rank 37th in the country in graduating Hispanics with bachelor's degrees. And 41st in the country in graduating African-Americans.
So, a small institution like us is in the top 50 for the whole country in graduating both Hispanics and African-Americans. So, we're doing something right.

For those large institutions, one, they're not bringing them in. And a lot of those B now, that's not to say that a lot of them aren't graduating.

I would love to see more African-Americans, more Hispanics at Stanford. I'd love to see them more at UT. Texas A&M has a very small portion of African-American and Hispanics. I'd like to see them, you know, there, but also succeed.

And certainly we are seeing the numbers in percentages of Hispanics and African-Americans at non-Hispanic institutions, including Texas A&M and UT, going into doctorate programs and getting their Ph.D.s. So, that's important and I support that, but, still, where the base is, is in Hispanic-serving institutions.

CHAIRMAN CASTRO: Commissioner Yaki, you have the last question.

COMMISSIONER YAKI: Thank you very much. This is directed toward Ms. Santiago. And I think, Ms. Elliott, you might want to chip in as well.

One of the things that has struck me about the discussion here today is we are focusing a lot on
the aid component and the wealth component, but there's also the programs that once they're in there, help keep them in there. That's part of the federal financial aid platform as well through TRIO.

I'm especially thinking of Student Support Service as well, which I guess is a competitor grant program, but maybe I'd like to hear more from you about whether that is really enough.

I mean, does it need to be, you know, TRIO on steroids? Does it need to be B what kind of, as you said, intrusive involvement do you need? And as you reference, you know, what can we do better in terms of the federal presence to help keep these students once they're in regardless of whatever their debt burden may be.

The fact is they'll have a much better chance of paying it off if they get through and if they graduate.

So, if you could just elaborate on that, because I think that's something we haven't quite touched upon in this part. I'd like to hear what you have to say about it.

MS. SANTIAGO: Thank you. So, you know, interestingly enough TRIO is part of Title 4, which is in financial aid and was intended to be complementary
to the funds.

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

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

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

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

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

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

COMMISSIONER YAKI: Just a quick question.
MS. SANTIAGO: Please.

COMMISSIONER YAKI: And I'd like to hear what you have to say, Ms. Elliott, as well. A third sounds like a lot, but I think that part of it depends on what the definition of who is eligible is the definition itself too restrictive as is right now? Should it be expanded a little bit more to encompass more disadvantaged, more minority students who would be in the pipeline, make them more eligible for these kind of services?

MS. SANTIAGO: So, the definition in TRIO is low-income first-generation students. And so, it's intentionally intended to target.

The third includes all six programs. So, if you just look to Student Support Services, we're serving many fewer than that.

Do I think the definition should be expanded? I don't think so. I mean, the fact that we make more students eligible and we have less resources and less programs available means that our targeting efforts to low-income first-generation is further limited or watered down.

So, I'll finish and then my colleague might want to jump in here. I do think for these low-income first-generation students, we find they need the kind
of college knowledge and information that helps them sustain.

When the institutions tend to front load financial aid and if they don't have the support services to sustain their persistence at an institution, they're not going to complete.

And the investment we make publicly in Pell Grants in that front loading we don't take advantage of, because we don't help them complete. And programs like Student Support Services allow that.

MS. ELLIOTT: So, I don't have data specifically on services within colleges and what's happening in terms of completion.

I'm seeing people, though, in our data on the back end. People who have not completed who have lots of student debt and are feeling a lot of regret about that debt.

And when you look at their overall balance sheet health, you look at all of their financial data in their household, it's really impacting their long-term financial outlook.

So, this is a larger thing that actually needs to be considered here in that this taking on debt, not completing then sets them up for a life of being a step behind. And it speaks again to this piece that
Fabian was speaking to earlier, this wealth inequality.

We're seeing that in another set of analyses, parents who are still carrying student debt are then unable to launch their children in a way that sets them up well for life. So, it tends to be this legacy of debt.

CHAIRMAN CASTRO: Thank you, everyone. All the panelists, we appreciate the time and your frank and informative discussion with us.

So, the record is open for 30 days. If you have additional information you want to present to us, you can check back with Ms. Angela French-Bell.

So, thank you, and we'll ask the next panel to begin to work your way up while we change the name cards. Thank you.

(Whereupon, above-entitled matter went off the record at 4:26 p.m. and went back on the record at 4:27 p.m.)

CHAIRMAN CASTRO: All right. Thank you for getting ready so quickly. We're going to now begin the final panel of the day.

For those of you panelists who were not here earlier, there's a system of warning lights here. Green, yellow, red.

Green means start. Your seven minutes
start to run. Yellow, you've got two minutes to wrap up.

And then red, if you could just wrap it up and finish right there, then we'll then open it up for questions from the commissioners.

PANEL IV

SOCIO-ECONOMIC MOBILITY AND FAMILY STRUCTURE II

CHAIRMAN CASTRO: Let me introduce the individuals who are on our panel now and then we'll get started.

So, our first panelist is Ms. Kati Haycock with the Education Trust. Our second panelist is Quyen Dinh with the Southeast Asian Resource Action Center.

Our third panelist is Mr. Stephen Thernstrom of Harvard University and husband of our former vice chair. Please give her our regards.

And our fourth and last panelist for this last panel is Dr. Leticia Bustillos with the National Council of La Raza.

I want to ask each of you to raise your right hand and be sworn that the information that you are about to provide to us is true and accurate to the best of your knowledge and belief; is that correct?

GROUP RESPONSE: Yes.
CHAIRMAN CASTRO: Thank you. Ms. Haycock, you have the floor.

MS. HAYCOCK: So, as Americans, we tell each other in the world two really important stories about who we are as a country.

The first one of course is that we're the land of opportunity. Whether your parents were born in a village in India or in the hollers of western Kentucky, we are the place above all others where if you work hard, you can become anything you want to be.

The second story we tell each other in the world is one of constant intergenerational advancement that each generation of American parents through hard work and savings can assure its children a better education and, in fact, a better life.

Those stories, as you know, are very powerful. They are pervasive in how we think about ourselves as a country, but the fact of the matter is they are no longer true.

As other witnesses have told you today, there are very fast-growing gaps in both wages and wealth in this country and growing problems with social mobility as well.

Now, in fact, instead of being the country on earth where if you work hard it is easiest to escape
poverty if you born poor, we are now tied with UK for
being the place on earth where if you're born into
poverty, it is hardest to escape living your life in
poverty.

As I recall, I think we fought a revolution
to avoid that fate, but we seem to have gone there
nevertheless.

When you think about all that at the macro
level, you know that a quality education is not the only
thing that needs to change in order to turn those
patterns around.

There's a lot of things that important
enlightened public policy could do, but at the
individual level a quality education literally is the
only way out.

As generations on generations of
African-American parents who have taught their children
a good education is literally the only thing that nobody
can ever take away from you.

And as Diana said earlier, today if you're
born poor, just under half of you will stay in poverty
without a bachelor's degree. And another 20 percent
will stay pretty close to poor, but with that bachelor's
degree the stickiness drops to about one in six.

And for African-American males, the
differences are even more stark. For those without a high school diploma, literally 68 percent will be imprisoned by age 34. With a high school diploma, that number drops to 21 percent. With a college degree, to six percent.

So, what we do in education in our schools and colleges really matters. Really matters.

So, how are we doing? When you look at the numbers on the access side, we've provided the alum data with this, but I won't go into those numbers now, what you see is a lot of progress over the last 30 years and access is going up for all groups of young people, but there are very big differences in access to what and the types of institutions to which students get access and differences too in success once there.

Indeed among the many low-income students and students of color who begin in a two-year college with an aspiration to get a bachelor's degree, the question is how many actually end up getting that degree? Fewer than 14 percent.

But you add all those patterns up and what you see is very different rates of degree acquisition for different groups of Americans.

The bachelor's rates in this country for African-Americans are roughly one half of them, more
than one half those for whites. For Latinos, only one-third. And when you look at the difference by family income, even more glaring differences still.

So, the question of course is what's going on here? What's behind this? There are a lot of folks in higher education who would like you all to believe that those patterns are mostly the result of two things—lousy high schools, and stingy federal and state policymakers. And the fact of the matter is that people who believe that aren't entirely wrong.

As all of you know, low-income students and students of color in this country continue to be educated in schools where we spend less on their education, where we expect less of them, and assign them our least well-educated and least experienced and, frankly, least-effective teachers. So, yes, poor preparation is part of the reason for those numbers.

It is equally true that poor government decision-making is part of the problem.

You all know that the cost of going on to college has gone up faster than anything else in our economy. And the Pell Grant, which is the main vehicle for low-income students to afford college, has simply not kept up.

What's important for you to know, though,
is this is not because the federal government isn't spending a lot more money on student aid. They are. What has changed is who those dollars are being spent on.

Huge numbers of federal dollars, more than 21 billion, are being spent through the tax programs now which benefit not so much the low-income students who are targeted by Pell, but middle and even upper income students who actually don't need help or certainly don't need it nearly so much.

So, yes, in fact, government aid is part of the problem. But what's really important for you to know is that the choices colleges make also turn out to be hugely important in who goes and who doesn't. Colleges themselves turn out to be very important actors in this drama of shrinking opportunity in this country.

For one thing, colleges and universities have their own financial aid money. It's called institutional aid money. $21 billion last year.

They decide who to spend those dollars on, but the shift in those dollars away from low-income students has actually been more dramatic than the shift in federal or state dollars.

For example, back in the '90s public universities in this country spent more dollars of their
student aid dollars on the lowest income students than
they did on their richest.

   Today, they spend more of those dollars on
their richest students than on their poorest.

   In private universities, the shift has been
even more dramatic with students in the top income
quintile getting a lot more financial aid money from
private institutions than students in the bottom. And
the impact of that on students from low-income families
has been devastating.

   The typical student from a low-income
family after all grant aid is received from the federal
government, from the state government and from the
institution, still has to come up with an amount roughly
equivalent to 75 percent of that student's family entire
annual income.

   So, the choices colleges make are really
important in who comes and who doesn't, but it also true
that the choices colleges make are hugely important in
who graduates and who doesn't, you know.

   You can look at overall graduation rates
and I've showed you those numbers, but underneath those
there are very, very different rates.

   Some colleges consistently get 90 percent
of their students through with a degree in six years.
Some get ten percent.

And while some of that is about differences in preparation, differences in poverty, it turns out that when you dig underneath the data, what you see is some institutions consistently get more of their students through with a degree than others that serve exactly the same students. And the differences in their underrepresented students are even bigger.

We have some very large institutions in this country that have, for example, no graduation rate gaps between their black and white students. Florida State University, Georgia State University are two examples of that.

Some institutions that serve exactly the same students have 20-point gaps, 30-point gaps, 40-point gaps.

CHAIRMAN CASTRO: I'm going to ask you to

B

MS. HAYCOCK: Right. So, some of this is about what institutions choose and that's important to understand as well. Thank you.

CHAIRMAN CASTRO: Ms. Dinh.

MS. DINH: Thank you so much for inviting SEARAC to testify today to talk about the challenges of Southeast Asian-American students to higher
education access, as well as affordability.

Founded in 1979, SEARAC is a national organization that advances the interest of Cambodian, Laotian and Vietnamese-Americans, communities that came to the U.S. after the U.S. involvement in Southeast Asia in the '70s.

As a child of refugee parents, I was the first in my family to graduate from college. So, the data that I'm going to share with you is personal.

It reflects the lived experiences of seeing myself graduate while my brothers and my cousins did not.

Across the country our communities experience tremendous education inequities. And the reason for these troubles are deep. And it comes down to understanding one key factor.

The experience of our refugee parents, the broken communities that we were resettled in directly influenced their child's life outcomes so that being born here in the U.S. was not a silver bullet towards educational and economic mobility.

And from SEARAC's extensive experience and research, the challenges that Southeast Asian-Americans faced are often rendered invisible when we are lumped under the larger Asian-American umbrella.
that consists of more than 48 separate ethnic communities.

To date, Southeast Asian-Americans are the largest refugee communities to ever be resettled in the U.S. numbering at close to 2.5 million. And disaggregated data shows us that our communities face low rates of both high school completion and college completion.

The 2010 census showed us that over 30 percent of all Southeast Asian-American communities lacked a high school degree compared to only 15 percent of the American public and 14 percent of the overall Asian-American community.

And additionally, over 50 to 66 percent of our community members never attended college compared to just 40 percent of the U.S. overall population and Asian-Americans overall.

And our communities arrived 40 years ago as refugees and the experience, the unique challenges that we faced are about the skills that our parents brought, navigating both K-12 and higher education systems with very limited English capacity, knowledge about the systems, as well as economic barriers.

So, to begin, for Southeast Asian-American students, what your parents brought with them mattered.
Research about immigrant and refugee students indicate that a parent's educational level of attainment in their home countries is highly predictive of how well their students will do here in the U.S.

And for Southeast Asian-American communities, the majority of refugees came from agrarian backgrounds with very low levels of fluency even within their home countries.

As refugees and immigrants to this country, our communities face tremendous linguistic barriers where over 38 to 52 percent of our communities speak English less than very well adversely impacting the amount of resources that English language learner students need in school to actually become proficient, adversely affecting college performance rates that require very rigorous English proficiency skills and often resulting in students dropping out of college.

So, one research study found that four out of five students who attend community colleges from Asian-American backgrounds have to take remediation English courses.

And similar to other communities of color, Southeast Asian-American experience extreme poverty. Whereas the U.S. poverty rate is about 15 percent for U.S. families, the rate is higher for all Southeast
Asian-American communities from 16 percent of the Cambodian community to up to 27 percent of the Hmong community.

And in addition to being more likely to drop out of high school, these economic barriers create tremendous financial barriers for students who are financing their education for the first time.

In reviewing data about Pell grant recipients, we find that the average amount given to Asian-American students are higher than all other communities of color, including blacks, Hispanics and American Indian students, suggesting that Asian-American students who are accessing these Pell grants come from the communities with highest financial need.

And contrary to media sensationalism around Asian-Americans being locked out of ivy league colleges, the majority of Asian-Americans and Southeast Asian-American students actually attend two-year colleges. Over 55 percent.

And for Southeast Asian-Americans, up to 48 percent report attending college, but never obtaining a degree. These students are also more likely to enter college with more risk factors, including not having a high school diploma and working full time while going

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to school.

And finally, because students are the first in their families to be attending college, there are very limited resources and information to families on how to actually apply, how to actually access these different systems.

And while programs like TRIO actually are tremendously useful, very rarely do these programs do specific outreach to Asian-American students or Southeast Asian-American students specifically.

And when you look at the rates of socioeconomic mobility, we know that what we're seeing is generational poverty. We know that Southeast Asian-American students B I'm sorry B Southeast Asian-American communities have the highest unemployment rates when you look at the Asian-American community in general at over ten percent.

And finally, the two highest concentrated industries which Southeast Asian-Americans work in are low-paid labor jobs including manufacturing being the number one, and the service industry being number two.

So, this year marks the 40th-year anniversary of our communities being here in the U.S. And the alarming data that we see around educational disparities, around economic disparities, suggest to
us that this is a systemic problem that requires policy solutions, that requires rigorous discourse.

So, on behalf of SEARAC, I thank the Commission for including Southeast Asian-Americans in this dialogue about equity, about access, about affordability to make sure that we, as a country, meet students where they're at meeting their direct needs and maximizing their full potential.

CHAIRMAN CASTRO: Thank you. Mr. Thernstrom.

MR. THERNSTROM: Thank you very much for B

CHAIRMAN CASTRO: You can turn your mic on.

MR. THERNSTROM: Yeah. Thank you very much for having me here. I'm sorry I couldn't attend the earlier meeting and that I might better understand what the issues really are here.

The formulation given is that it is hope to somehow B to examine the possible reasons why minorities may have difficulty accessing four-year flagship universities, and I would question whether this is the goal.

It would be desirable if there were no disparities of any kind in the rates of students attending highly selective institutions, but highly selective institutions, by definition, are attempting
to pick the best students they can and have faculties that are well-equipped to deal with students at that level.

It does not mean, therefore, that taking students with much weaker academic preparation and the racial gaps today, I hope to have time to look at a couple of them, but, first, the racial gaps today are so great that it's very hard to imagine a vast increase in the number of students who could enter Georgia Tech, let us say, or MIT and have the mathematical background to get through their freshman year.

There are enormous differences and these colleges have curriculum and focus their instruction at the level of their average or above average students.

And I see here a strange kind of prestigism at work in the formulation as if -- in the state of Michigan, which I come from, there were students in my graduating class at Battle Creek High School who went on to Western Michigan University. Others more academically prepared went to Michigan State. And those who were the top students went to Ann Arbor.

Now, if the students going to Western Michigan had all been transplanted to Ann Arbor, I can assure you that the rate of dropping out of college would have been astronomically high.
And I furthermore would suggest that the more prestigious an institution of higher learning is, the less concerned its faculty is with teaching students, except graduate students.

That is, I've taught at Harvard more than 40 years, I've taught at UCLA for four years, I taught at Brandeis a couple of years and I can assure you that when faculty appointments at such schools are made, there is very little discussion of their teaching qualifications, except in a rare case when people will say, yeah, you know, she is really brilliant, but I really can't understand a word of what she's saying and she carries on too long and so on, but, believe me, it's the publications, the research and writing that determines who is on the faculty in Ann Arbor, who in Michigan State, who in Kalamazoo.

So, I think it is fallacious to think that it's an important objective to getting students into these quality B higher quality institutions. The main thing is to somehow help more students develop the skills so they can flourish at the University of Michigan rather than Western Michigan at Kalamazoo.

Now, the gaps in academic preparation, my wife and I ten plus years ago wrote a book on this, "No Excuses: Closing the Racial Gap in Learning."
And our examination of the data there, the most shocking bottom line is that the average black student at 17 performs at or below the level of the average white student at 13.

There is a four-year skills gap. And I haven't been following this. I've been doing other things since then, but I did get back into the data site, used their explorer tool and calculated the new figures.

And despite No Child Left Behind, countless new programs of every kind, that fundamental gap remains unchanged.

So, you have very large proportion of black. To a lesser extent Latino. I was impressed with the signs of progress for Latinos, but for blacks the percentage leaving school around 17 whose skills in reading is close to or below basic, let's call it, and that is, believe me, very basic indeed, is close to half. And for below basic in math, the gap is even larger. I have it somewhere in here. I think it's 62 percent below basic.

Now, there are students there who have the potential to do brilliant work in time if something intervenes. But if with compulsory public education, a pretty richly funded K through 12 educational system, if these gaps which have been the focus of endless
writing in recent years remain basically unchanged, I
don't see that tinkering around with somehow the
admissions requirements at Georgia Tech or something
will help at all.

Winning admission to the school of your
dreams is not like winning the lottery. And if the
school of your dreams is too damned tired given your
earlier development, it will be, in fact, very bad for
you. Your dreams will be crushed and you would be better
off in an institution, you know, where you're like many
other students and you're likely to have teachers who
know more about how to teach kids like you than the
faculty of Yale University.

CHAIRMAN CASTRO: Thank you, Mr.
Thernstrom.

DR. BUSTILLOS: Thank you. Good
afternoon.

CHAIRMAN CASTRO: You can turn your mic on.

Thanks.

DR. BUSTILLOS: Thank you. Good
afternoon, Chairman Castro, Commissioners. Thank you
very much for this opportunity to speak on this terrific
panel and offer the perspectives of Latino students in
regard to access and success in higher education.
I am going to focus my remarks on three critical areas that we've largely heard from our students, which has also been bolstered by research, as to what influences their choice of college attendance.

The cost of college and the assumption of debt is one of the primary factors that they've identified.

We've also heard a great deal about their college readiness to be successful college students.

And finally, talking about the very strong family connections that guide and influence their decision-making about post-secondary attendance.

I have been in the field of education for two decades. For nearly two decades I have been a teacher, I have been a professor and researcher of education, and now I serve as an advocate with the National Council of La Raza, which is the largest national Hispanic civil rights and advocacy organization in the country.

We have the benefit and the privilege of working with nearly 300 affiliated community organizations across the country with whom we are able to have direct access to students to hear directly from them what most concerns them about education and their
access and their opportunities to post-secondary.

Our core policy area, one of which is education where we definitely aim to enhance the opportunities of the nearly 25 percent of Latino school-age children that are currently in our public education system, with that 25 percent we are particularly concerned about what happens after the K-12 experience and what access and opportunities they have to post-secondary opportunities.

In our community, education has been viewed as a way to achieve social and economic mobility. Research that we've done definitely shows that higher education provides greater returns than any other type of investment, including stocks and bonds as college graduates earn significantly more than non-college graduates do.

We also know that in the United States any individual from a low-income background can achieve any income level even within the span of one generation.

These facts are not lost on our community. 89 percent of young Latinos agree that a college degree is vital to getting ahead in life.

There is much that we are proud about. We know that Latinos are enrolling in college in record numbers. The statistics show that the share of Hispanic
students accessing college has grown tremendously.

Between 1972 and 2012 we've seen an increase of more than 24 percentage points in the share of Hispanics accessing higher education.

However, we are concerned that while we are accessing higher education, we are not completing. The degree attainment of Latinos significantly trails that of other groups.

And given the fact that the majority of jobs by 2020 will require some form of post-secondary credential raises significant concerns for us that we need more Latinos accessing post-secondary opportunity and completing with a degree.

In talking to our students, we've heard several complex factors influencing college attainment.

The first and probably the most significant concern for our students is, in fact, the rising cost of college and the assumption of debt that they need to take on to go to college.

Many of our students talked about though college is their dream, they are unwilling for their families to take on that responsibility, that huge financial responsibility of college debt.

They are uncertain of what the future holds
for them. And so, to take on that risk is almost too much for their families to take on.

In fact, we have the example of one student who was, in fact, admitted to a prestigious four-year college whose financial aid package nearly covers the entire cost of attendance.

However, her expected family contribution of $3500 seems insurmountable given that her family income level is at the $20,000 level.

So, her concern about actually attending is not that she's not getting the financial aid package that makes it possible, it's how much can her family realistically afford to send her there.

College readiness is another factor. And when we talk about college readiness, we are not talking about the readiness in terms of academic preparation.

We are talking about those other factors including the access to information, the resources that they have at their disposal, the strategies of what it means to be a successful college student. And finally, the mentoring that is available for students to make those really good choices about where to attend and how to succeed in college.

Many Latinos like myself are first-generation college students who do not have that
familial legacy of a college attendance. So, we are guessing a lot of this information about what it means to attend college and succeed.

Without having the actual mentorship and the advice to make those choices and to understand the college-going process, it makes it significantly much more difficult for us to get to that point of degree completion.

Finally, we talk about the family. The family is a strong influence in the Latino community. Many of the students that we spoke to talked about that strong family connection and their unwillingness to select institutions that would take them either too far away from their family or unnecessarily burden their families with debt.

Many of those, for them, part is the familial connection wanting to remain close to succeed. Others are unable to take on to go away to college and be unable to contribute to the household, to be able to support the family either in the caring of family members, or into supporting and contributing to the economic reality that they face.

One of our students that we talked to was actually accepted to Yale. He is from California, but he himself said that he understands the privilege of
being accepted to such a prestigious institution, but, again, the strong family connection makes him hesitate about whether he will actually attend.

Finally, as I said, Latino students aspire to a college degree. That is a dream that they wish to attain.

However, the choices, the influences that impacted their decision-making are really too great. The cost of attendance, their own college readiness to understand the college-going process and navigating college. And then finally the strong family connections have both the positive and negative outcomes.

However, we want to stress, again, they want to attain a degree. They see the degree as an opportunity to a better life. And they aspire to that better life not just for themselves, but for their families.

And we at NCLR are looking to work with our community, work with our elected officials so that we can then develop those policies that make their dreams a reality. Thank you.

CHAIRMAN CASTRO: Thank you, Dr. Bustillos.

Do you want to begin the questioning now,
COMMISSIONER ACHTENBERG: I would be happy to.

CHAIRMAN CASTRO: All right.

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

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

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

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

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

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

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

DR. BUSTILLOS: Unfortunately, I do not have direct knowledge of that program. However, I can say that in working with other programs and hearing from students who are part of other college mentoring programs that do involve the parents, it is clear that informing the parents about the college-going process, why college is so important, the differences between community colleges versus the four-year institutions, again, helps not just the individual make those choices
that are best for him or herself and the family, but makes the family buy in to the notion that college is essential for moving ahead in life and to securing that degree attainment that is essential for future opportunities.

COMMISSIONER ACHTENBERG: So, would it be surprising to you then that when these various PK chapters, students from these chapters of PK enter the university, they enter more prepared, they persist at greater numbers, they graduate on time and with less debt, in part, because it's explained to the parents at the outset all the avenues for tuition assistance that are available.

I'm talking now in California, for example, if you're Pell Grant eligible and you're in a qualified four-year institution, you're Cal Grant-eligible, which is the state's grant, and then there's a grant on top of that called the state university grant.

You put those things together with college work study and there's essentially zero cost of attendance, for example.

We have found in California that that's a winning formula. And that has increased percentage not just of college-going, but of degree attainment not astronomically, but by many percentage points.
Are you familiar with programs like that that have been successful in aiding students in going to college in greater numbers, Latino students in going to college in greater numbers and achieving the baccalaureate degree?

DR. BUSTILLOS: So, the first part of the question was, no, I am not surprised. I think it's, again, as I indicated, those are absolutely essentially programs to inform the entire family about how these investments will, in fact, support the individual, as well as for their goal to help their family in the long term succeed.

I can speak to one program which I was very closely involved with. I'm also from California. I am from the Southeast Los Angeles area and I was a teacher in a district, Montebello Unified School District.

And over the last three years we initiated a program called the College Bound Today program.

In that program, alumni from the local high schools are identified to serve as mentors. Alumni who went on to colleges, who went on to the four-year institutions so that they can come back into the schools and advise college-bound students about the process.

Our work was to start with tenth graders. So, that way we were their mentors from beginning in
tenth grade all the way to the point of completing their applications, helping them with their statements.

And along the way, informing them about our individual experience about what it meant to go to college, what it meant for some of us to go away to college so far away where there is a tremendous hesitation about going such long distances.

A critical component of that program was, in fact, the parent participation. We met on Saturdays at least once a month for about three hours with both the students, as well as the parents.

The parents received separate workshops where they were able to not only ask questions about why should I send my child to Massachusetts, you know, how much better is Harvard than it is for my local community college? And have those really in-depth conversations about the financial aid process, the differences between the types of institutions are available.

If you were very set on having your child stay, you know, much closer to home, identify the differences between UCLA or a Cal State system. The pros and the cons of both.

COMMISSIONER ACHTENBERG: Sure.

DR. BUSTILLOS: So, it does not surprise me
that students and family members who are part of these
types of programs have better persistence and retention.
It is just unfortunate that we don't have enough of them.

CHAIRMAN CASTRO: Madam Vice Chair.

VICE CHAIR TIMMONS-GOODSON: Thank you very much, Mr. Chairman. My first question is for Mr. Thernstrom.

Being the eternal optimist that I am, I was really happy to hear you say that there are some students who are brilliant kids with potential to do it in time. And I believe you were referring to overcoming the performance gap between black and white students.

What would you suggest or what do you see that could be done to help get those brilliant kids with potential to where we'd all like to see them?

MR. THERNSTROM: Well, one thing, and I haven't seen much writing on it, there may be tons of writing I don't know about, but it does seem to be one of the great features of our...
opportunities.

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

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

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

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

I also was going to refer in my statement to a point you referred to about the role of the historically black colleges and universities, which strikingly at a time when they were producing like 20 percent of the bachelor's degrees for blacks in the country, produced 40 percent of blacks with degrees in
And that such students, I think, who probably came with, you know, skills that would not have allowed them into Georgia Tech or whatever, they were in a place that knew how to teach them and challenged them enough and kept their interest up.

Whereas it's one of the clearest patterns with preferential admissions at elite institutions is that blacks enter Duke and Dartmouth and all the rest of them intending just as much as whites do to major in science, but very quickly they shift their preferences because science, the grades are very clear and there's no arguing about them. And they didn't do as well in science as kids who went to prep schools and so on. So, they just gave up on science.

In a less-demanding, you know, program of science instruction they would have flourished and maybe then they would have gone on to MIT or something, but that's a good example of instruction tailored to where the students are and advancing them at a reasonable pace.

VICE CHAIR TIMMONS-GOODSON: Thank you very much. If I could, Mr. Chair B

CHAIRMAN CASTRO: Please.

VICE CHAIR TIMMONS-GOODSON: -- one other question. This is for President Haycock.
You talked about institutional income and you stated that colleges through the choices that they make, play a significant role in deciding who graduates.

That brought to mind a decision that was made in North Carolina back in August of last year by our UNC Board of Governors. And what they did was voted to cap the tuition revenue that could be used by our member institutions toward need-based aid. They capped it at 15 percent.

So, institutions like my alma mater, UNC-Chapel Hill, could not use tuition dollars to aid B to provide financial aid.

And so, the reality is and has been that the student's debt, you know, has to increase.

Now, they explained that by saying other families' tuition or the tuition paid by other families was partially going to fund students, other students' financial aid packages. And that just was not right.

Are you aware of any other states that have taken similar action? I just don't understand it.

MS. HAYCOCK: I think North Carolina holds the award for most self-defeating action in recent memory. It is true that many other university systems take that institutional aid money and spend it on students who at least need it, but the Board's decision
to actually cap the amount of money that could be used for need-based aid will create huge problems down the line for North Carolina's future.

VICE CHAIR TIMMONS-GOODSON: Anybody else making decisions that B

MS. HAYCOCK: Pardon me?

VICE CHAIR TIMMONS-GOODSON: Any other institutions or states that you're aware of making decisions that are that poor?

MS. HAYCOCK: That are that poor?

VICE CHAIR TIMMONS-GOODSON: That poor.

MS. HAYCOCK: Decisions that are that poor as opposed to states that are that poor. North Carolina will get poorer as a result of its decision. Let's put it that way. But, again, no, I am unaware of any other system.

That doesn't mean there isn't one that has made a bad decision like that, but that said, that's a remarkably short-sighted decision.

VICE CHAIR TIMMONS-GOODSON: Thank you.

CHAIRMAN CASTRO: Commissioner Narasaki, do you have a question?

COMMISSIONER NARASAKI: Thank you, Mr. Chair.

CHAIRMAN CASTRO: You're welcome.
COMMISSIONER NARASAKI: I have a couple quick questions.

CHAIRMAN CASTRO: Uh-huh.

COMMISSIONER NARASAKI: One is for Ms. Dinh. So, you mentioned that you felt TRIO was an important program, but unfortunately -- and I'm characterizing what you said. So, feel free to correct it, but my understanding was you were saying that they weren't doing a sufficient job of really reaching out to the Southeast Asian students.

So, can you elaborate about, you know, what would you recommend TRIO needs to do to fix that problem?

MS. DINH: Right. So, the data that we have about TRIO is really limited as a lot of education data is around Asian-American students, because there really isn't any disaggregation within that Asian category. So, within Asian B which are the students who are actually being served by TRIO.

That said, the community experience we have demonstrates that there are always a pocket, a handful of Southeast Asian-American students who get into these programs in California, in Texas, in Georgia, in Minnesota, in Seattle, Washington.

In Seattle, Washington, the story that we've learned is that it really comes down to the
individual institution and whether or not they have
enough knowledge to reach out to Asian-American
communities.

My major recommendation would actually be
to provide clarification that within this category of
first-generation low-income students you have a very
big population of Southeast Asian-American students who
are also eligible.

I don't think B I think that there is big
will and intention to serve our students. And I say that
because every time we do our presentation at conferences
nationwide, we always run into a TRIO advisor who says,
I had no idea. How do I work with you to get this word
out more?

So, I think it's about educating those TRIO
program officers and providing them with information
on eligible communities.

And something that Deborah Santiago said
was very interesting. She mentioned that she felt that
perhaps only a third of the total population of students
who are eligible for TRIO were actually receiving it,
which, to me, I can attest to that.

I was a low-income first-generation
student. I had no idea TRIO existed. No idea. And I
can't say why, you know.
There weren't any counselors who came to my high school to do outreach with me. Within our student organization at Berkeley, very few of our Southeast Asian-American students were part of the TRIO program. So, I think it is about education.

COMMISSIONER NARASAKI: Thanks. And then, Ms. Haycock, you mention in your testimony, I think it might have been in your written testimony, that over the years colleges have shifted who they spend their money on.

So, what can be done, you know? So, what should Congress be doing when it looks at these programs again in order to try to prevent that from happening?

And, also, a similar question about there's some many critics who say that some aspects of the federal financial aid has actually been part of the reason why prices have gone up, tuition prices have gone up, and do you feel that's true?

And if so, what would be the policy prescription to prevent that from happening short of ending the programs?

MS. HAYCOCK: Yeah, let me answer your last question first, if I can. There have been quite a number of researchers who have looked into the question do increases in federal aid tend to prompt increases in
college costs? And I think the general conclusion is no.

As you know, they're not even close to keeping pace with the explosion of costs. There are a lot of other drivers for those costs, including in the public sector the disinvestment of state government.

So, I think that the suggestion that if we invest more aid, colleges will inevitably increase their price, is just not borne out by the data.

In terms of what can the federal government do, I mean, the other organizations at the table will assure you that all three of us are very interested in robust federal policy in both K-12 and higher ed.

It is a little tough to see what Congress can do about the use of institutional aid dollars. Those aren't entirely within the purview of institutions.

What's happening here is generally a quest to move up the ratings ladder. The attempt at a federal rating system is a bit of an attempt to sort of counteract that with another way of rating colleges.

Whether that will ever happen, whether it will have its intended affect we don't know, but that's really the driver here much more so than what federal government does. And I, for one, cannot imagine a federal
policy that will have a major effect on that.

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

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

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

CHAIRMAN CASTRO: Go ahead.

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

I don't know if that's something you follow. And if you do, you know, what should we be paying
attention to there?

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

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

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

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

   And there are no accountability provisions
despite the fact we give billions of dollars over to
colleges and universities, they are responsible for
nothing by way of graduating the students who are served
with federal dollars. And when you get dollars without
accountability, you are less likely to deliver.
And, you know, well, we can give them more program money and I share the view that we provide inadequate dollars through Support Service and now the TRIO programs, but dollars without accountability for improving results won't matter.

And programs by themselves don't make enough of a difference. It's institution-wide culture and acceptance of responsibility. Help students who come in, get a degree that matters.

CHAIRMAN CASTRO: Commissioner Yaki.

COMMISSIONER YAKI: Thank you very much, Mr. Chair. I'm not quite sure who this would go to. I think it probably goes to all of you.

Obviously, you know, this is a hearing that's limited to the subject at hand. And, you know, part of me understands that education in and of itself is all connected, you know.

When Dr. Thernstrom starts talking about the gap in terms of skills, that goes B that's something that this can't deal with right away. It goes all the way down from preschool all the way up through twelfth grade, but they said that we can start thinking a little bit outside the box here.

Part of what we can do is be an institution as the Commission that thinks outside the box and just
doesn't say, well, we should just tinker around this edge here or just put more funding in here that's going to make it work, but start thinking a little creatively about how to deal with the situation.

And something that just came to my mind during the hearing today is, are we really doing enough to deal with the debt burden post-graduation? Is there some kind of incentive that we can provide that if you complete your degree, your debt starts to go down immediately?

Right now we have a couple of programs where you become a teacher, Teach for America, AmeriCorps, things like that start to take a year off, what have you, but I think that this is a bigger issue.

It's a bigger issue, because not everyone wants to be a teacher. Not everyone wants to B they want to go to different fields. They want to do other things.

Is there a way that we can start talking about debt reduction just for being a good B based on income as you come out of school that enables you to pay what is equitable to your income level as you get out of school. And then it may increase as you earn more money.

But in the early years when you're not faced with this giant coupon that you get, because I remember
getting that coupon from Sallie Mae when I graduated from law school, because they at least deferred past law school. But then as soon as it was over, I was clerking for a judge and, bingo, I'm making, you know, at that time clerking for a judge was not making that much and all of a sudden you get that coupon from Sallie Mae and you're going, wow, that is a big freakin' hit on my income.

(Laughter.)

COMMISSIONER YAKI: You know, but is there a way to start thinking about doing that that if you make it through, if you complete, can you get into some sort of forgiveness program based on your income or scaling of the debt service on your income so that you can deal with that?

Is there a way to tie or leverage TRIO funds to institutions that says, we will give you these if you also contribute X part of your own income toward the kind of support services that help students stay in these programs or in these curriculums.

Are there ways that their incentives within specific curricula, whether it's STEM or what have you, in institutions of higher education that, again, you can leverage Pell, you can leverage SEOG, you can leverage TRIO in a way that makes the Harvards or makes
the Yales. I went to Yale. So, I can say this because God knows I paid a high interest rate when I graduated from law school there.

Leverages them to say, you've got to put a little bit more in, because we have a responsibility to every student who enters your institution not just that they can afford to go there, but that they're going to finish going there and they can afford to live after they get out, you know.

Those are the kinds of things I would ask you in the next 30 days while we have this time, to come back and think of those things because, you know, I'm pointing out to you right now, and I don't expect you to answer unless you have some great ideas you've been harboring under a notebook for the last hour, but I think that's the kind of thinking that we would like to see and hear from you, because we've got to start thinking differently about this, because we're just running around in circles and we're chasing the same dollar over and over again and saying, well, it's my dollar. No, it's your dollar. We've got to start thinking a little bit differently about it.

And so, I would just ask you to do that. And if you have any comments about that right now, please go ahead. I just kind of threw it open, because you all
sit there and go, what the heck did he just ask us?

MS. HAYCOCK: Well, I mean, there were a lot
of ideas in what you just said. Some of them already
acted on.

So, the Income-Based Repayment program
which is an often, in fact, a kind of default option
now for new graduates is, in fact, intended to do much
of what you've said. In other words, they key what you
pay each year to your income, but I would argue that
that's not by itself a sufficient strategy.

What we really need is to reduce the amount
of debt in the beginning. And we can do that through
much simpler strategies through getting more students
to take a full 15-hour credit load, which actually many
students are encouraged not to do, which is a terrible
disservice to them.

You're far more likely to graduate and to
succeed in your courses actually if you take a full load.

So, there are more institutions doing that now.

There are other institutions that are
defaulting students into the courses they need for their
major so they don't have to hunt and peck, which is what
lots of students do. It's the college knowledge that
Leticia talked about.

Instead of assuming students know what
courses to take and the order in which to take them, when colleges actually default them in, they're more likely to get them, take them, complete them and complete on time. So, there are a bunch of other things that can be done to reduce the debt in the first place.

COMMISSIONER YAKI: I mean, I would say that if you graduate from college, half your debt should be eliminated immediately. And that's just like a thought I have, which is you've done it, okay, you're going to B we now know what you're going to do in society from now on to be a productive taxpayer.

MS. HAYCOCK: Yeah.

COMMISSIONER YAKI: I mean, think about B when you think about the statistics on African-American males and you think about the cost of incarceration of each one of those individuals B

MS. HAYCOCK: Yes.

COMMISSIONER YAKI: -- and how much greater that is than a college education is right now, I mean, it's ridiculous when we think about resource allocations in this country.

MS. HAYCOCK: Sure. Yes, there's no question about that, but one of the things you want to be careful of here is in some ways the people who need relief the most are the ones who didn't get a degree.
We need to actually find ways to get them back in college and actually having that debt with an outstanding payment keeps them from coming back to college. So, thinking about them, too, since we need way more of them to get degrees.

COMMISSIONER YAKI: Well, bring them back in. If they finish, wipe it out.

MS. HAYCOCK: I'd be totally happy to do that. I think we all would.

COMMISSIONER YAKI: I know the federal government is going, what the heck is he doing with our money right now?

(Laughter.)

CHAIRMAN CASTRO: Any other responses?

(No response.)

CHAIRMAN CASTRO: Any other questions, Commissioners? Sorry, Commissioner Achtenberg.

COMMISSIONER ACHTENBERG: We heard earlier B this is for Ms. Haycock. We heard B and then I have a question for Ms. Dinh.

We heard earlier from King Alexander on the issue of reauthorization and whether or not requirements B you said that one of the reasons that college tuition has been rising in public institutions is because states have been investing. And that is absolutely the case.
I can tell you that's certainly true in California and true for other large state systems.

He suggests that if there were some kind of maintenance of effort requirement on the part of the states where if they allow their institutions to receive federal funding like the funding they currently receive, they have to agree to a maintenance of effort kind of provision.

In the politics of higher education, how outlandish a proposal is that and do you have any opinion about whether or not that might achieve the desired result which is to see that more money from whatever sources gets invested especially in these large public comprehensives, not the elites, the large public comprehensives which is where most of the students get their degrees and where most of the minority students get their degrees and certainly where people we were talking about, people who come from the lowest quintile and the second lowest quintile. If they go to college, that's where they go.

MS. HAYCOCK: So, we are certainly one of many organizations that have been trying hard to figure out how can the federal government provide states with sufficient incentives to stop that disinvestment.

Certainly a maintenance of effort if one
could get it passed could help, but I don't need to tell you that maintaining effort it's better than not, but it's not solving the problem of escalating cost, escalating benefits cost.

COMMISSIONER ACHTENBERG: Sure.

MS. HAYCOCK: I mean, in some ways the best thing the federal government could do is fix the healthcare situation beyond what’s already been done to keep those costs in check because, as you know, employee benefits and so on keep going up.

And that means even if a state holds even, tuition is going to escalate. So, we need more creative strategies to try to figure out what combination of strategies can actually help.

Our argument is that the feds ought to take the dollars that are going out in tax deductions and credits now, which are not an efficient way to get dollars for college going, and all the research agrees with that, and the campus-based aid programs that are not well-targeted, and use those dollars in a giant federal-state partnership to incent states to actually stay physically engaged.

That pot would be big enough. The prospect of getting that through Congress are slim, but it's the only big enough bet that we could think of.
COMMISSIONER ACHTENBERG: You know, I don't know if, I mean, maybe they are slim. But as you said yourself, the key to economic and social mobility in this country is the attainment of the college degree.

And we heard that from the prior panel and the panel before that. We're going to hear that from all three panels tomorrow as well. We're going to hear it from Pew and we're going to hear it from Brookings Institution, we're going to hear it from National Science, we're going to hear it from the people should know.

And we need more certificated workers than we currently have. And ten years from now we're going to need even more. And ten years after that we're going to need even more.

So, we need to up our production here. And if these kinds of approaches could up production and bring with them the kind of equality principals that we were talking about here in terms of equal access, equal persistence, equal degree attainment, which makes our society richer and better, we are one in the same time we're a better society, we are richer internally and we can compete better in the international marketplace.

I have to assume that that kind of argument
would have some salience on every side of the aisle, not, you know, not just one or with a few.

   So, I'm hoping that that's the kind of approach we might be able to suggest. At least it's kind of worth the try.

   Ms. Dinh, before my chairman tells me I have overstayed my welcome, your testimony was extremely informative.

   I have to say I did not understand fully that Southeast Asian immigrants are such a large percentage of the immigrant population.

   And the statistics aggregating everyone into the category of Asian obviously masks many of the challenges that these more recent immigrant communities face.

   I'm wondering if there are policy prescriptions that your organization advocates both with regard to collection of data, targeting of programs and the like that B targeting in a way that's constitutional.

   I'm not suggesting anything unconstitutional, but targeting programs to really get at some of the particular challenges faced by your community.

   MS. DINH: Absolutely. So, one of our
largest campaigns is around national data

disaggregation in education data for both K through 12
systems, as well as higher education systems.

And the law of the land right now is that
we disaggregate by five different ethnic categories.
And our policy recommendation is at a minimum to use
what we know from the census and broaden those categories
to at least the ten largest Asian-American categories,
as well as an option to write in your ethnic community.

We've seen this practice implemented in
small school districts. In Seattle public schools,
actually, which is not quite that small.

We also know that the California State
University system, as well as the University of
California systems and the K through 12 system actually
does collect that type of granulated data, but none of
this data is reported out.

So, for us, it's not just about collection
methods. It's about reporting out publicly so that we
understand where those disparities are coming from.

And from there, be able to really advocate
for targeted services and support that so many other
communities are also advocating for.

COMMISSIONER ACHTENBERG: I didn't receive
your statement in advance. If that information is not
in your statement, it would be very much welcomed by the Commission.

    We have 30 days for you all to contribute additionally as you see fit. Those kinds of policy recommendations could be very helpful to the Commission as we try to wrestle with this important issue. Thank you.

    CHAIRMAN CASTRO: Any additional questions? If none, we want to thank the panelists. Appreciate your information and your presentations today. Thank you.

    This adjourns this briefing until tomorrow morning. Thank you.

    (Whereupon, at 5:37 o'clock p.m. the above-entitled briefing was adjourned.)
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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(9:00 a.m.)

CHAIRMAN CASTRO: Calling this briefing back into order.

OPENING REMARKS

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

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

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

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

Today's session is going to feature 17 distinguished speakers, all of whom are going to provide us with a diverse array of viewpoints on the
topic. We have divided the speakers into four panels today. The first panel will consist of federal government officials discussing pertinent programs. Panel II is going to consist of the university system heads, who are going to share their experience and perspectives. And the last two panels will give us viewpoints from various scholars.

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

So Commissioner Achtenberg?

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

Attainment has significant measurable lifelong benefits for workers, for their families, their communities, the national economy, and our international competitiveness. It is a social,
political, and economic good, and yet there are racial
disparities, gaps in enrollment, gaps in persistence,
gaps in attainment of the baccalaureate degree, on the
basis of race that need to be examined and are being
examined by this Commission.

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

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

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

Perhaps additional investment in those
programs might be an important way to address some of the racial disparities that are obvious by virtue of examining the statistics.

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

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

I believe that that could be possible, and
it will be the job of the Commission to determine whether or not those theories hold water.

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

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

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

And I'm the product of Head Start, I'm the product of affirmative action and higher education, so
these programs aren't just constitutional theory or political hay for me, these are the kind of programs that resulted in me sitting here before you as the first Latino Chairman of the U.S. Commission on Civil Rights.

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

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

And it's not just something endemic to the
neighborhood I grew up in, but I've shared this story with others here in Washington and elsewhere in groups of large Latino community leaders, and that is a common experience for many of us, and I know it is shared by other communities of color. In fact, one of our panelists yesterday, Dr. William Flores, who is on the Executive Board of HACU, same thing happened to him in his high school experience.

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

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

We will then, as Commissioners, ask you questions. There will be a chance to elaborate perhaps on things that you were in mid-sentence on. But also, our Commissioners will be -- I will try to fairly
provide them an opportunity to speak with you, because we really want to elicit as much information as possible.

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

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

With that out of the way, I'd like to introduce and then swear our panelists in. So the first panelist is Professor Stella Flores from Vanderbilt University. Our second panelist is Dr. Peggy Carr from the U.S. Department of Education, and our third panelist is Dr. James T. Minor, also with the U.S. Department of Education.
Will you each raise your right hand, please? And I'll ask that you swear or affirm that the information that you are about to provide to us is true and accurate to the best of your knowledge and belief.

Is that correct?

SEVERAL: Yes.

CHAIRMAN CASTRO: Okay. Great. Thank you.

PANEL I

CHAIRMAN CASTRO: Professor Flores, please proceed.

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

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

Strong data are critical to civil rights as well as the solutions we construct to improve educational equity in the U.S. for all students. I
argue that college completion is a function of more than the postsecondary experience, and that other factors such as secondary school context, financial aid opportunity, and academic preparation also play a role in predicting the odds of college success.

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

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

Moreover, as stated by the Commissioner, the consequences of not being appropriately prepared to succeed in college are costly, not only to individuals who are deprived of this opportunity, but
also to local and state economies, and ultimately the nation.

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

This is not on, actually.

CHAIRMAN CASTRO: Pardon me?

PROFESSOR FLORES: The timer is not on.

CHAIRMAN CASTRO: Oh, it's not?

PROFESSOR FLORES: But I will continue.

Okay?

CHAIRMAN CASTRO: Okay. Go ahead.

PROFESSOR FLORES: More time.

So let me begin with point number one. We cannot neglect that we are in an era of unprecedented demographic change across the U.S. states, but also in our public schools. The majority of all U.S. births, and the majority of our K through 12 public school students, are now non-white. The cost of failing to
prepare this population to earn a postsecondary credential has become a matter of state and national economic welfare.

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

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

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

Next point. Poverty remains a salient characteristic, particularly as associated with race among students at four-year colleges. In our cohort
analyses, we find that 48 percent of Hispanic students and 31 percent of black students are economically disadvantaged in four-year institutions as compared to five percent of white students at four-year institutions.

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

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

Our work found that black students are substantially less likely than white and Latino
students to have taken a trigonometry course. That rate is 70 percent for white students, 61 percent for Hispanic students, and 47 percent for black students. Similar gaps remain for courses such as dual enrollment programs.

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

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

Location of college is important, especially for minority students. In terms of where black students are increasingly going to college, that is the community college. So whereas before we saw trends of black students surpassing Latino students attending four-year colleges, they are now more likely to attend two-year colleges.
For Latinos, no other institution represents their attendance in the Hispanic-serving institution, yet we have only minimal evaluation evidence on how well the HSIs are doing, yet that is the place where Latinos are more likely to go to college.

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

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

Commissioners, improving the civil rights outcomes of all students requires a collection of a strong evidence through the form of reliable, individual level, longitudinal data sources, to produce the most successful and sustainable
interventions students deserve. Dismantling efforts for the collection of such data is likely to lead to under-researched and ineffective policy decisions with implications not only for disadvantaged students but also all students in the nation.

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

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

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

CHAIRMAN CASTRO: Thank you, Professor. Mr. Minor? Oh, do you want to go next, Ms. Carr?

DR. CARR: Good morning.
CHAIRMAN CASTRO: Good morning.

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

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

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

Also, more recently, we are now administering the data collection for the Office for Civil Rights within the Department of Education.
Many of the demographics that you see here are interrelated -- poverty, educational attainment, and other factors are linked to system inadequacy, as you well know. It is important to note that unless I otherwise state, however, that the outcomes and measures that I am going to talk about briefly today do not account or control for interrelated factors.

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

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

Let's begin with a look at some of the key trends in the academic achievement gaps. Here we are looking at an achievement gap between white and black students. Historically, black, Hispanic, and American Indian/Alaska Native students have lower assessment scores in reading and in mathematics than their white and Asian peers. There are two pieces of good news included in the data that you see here. These
data depict performance over time for black and white students, eighth grade students, and what you see here is that the performance is improving for both groups, and the distance between the performance of the two groups, also known as the gap, is narrowing. That is good news.

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

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

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

So a rigorous curriculum includes four years of English, three years of foreign language, three years of social studies, four years of mathematics, and three years of science, including biology, chemistry, and physics. However, their
completion of a rigorous curriculum did not eliminate racial-ethnic gaps in NAEP performance, as you can see here.

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

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

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

As you can see here, there are differences by race-ethnicity and by parents' education and the percent of 12th grade students who were at or above proficient in mathematics and reading. "Proficient" refers to solid mastery over challenging subject matter.
on average for 12th graders in mathematics -- 26 percent of the students in this country are at or above proficient - it’s seven percent for blacks and 12 percent for Hispanics.

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

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

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

And, finally, attainment patterns resemble some of the patterns already discussed. We will show this last slide here. Go to the next one here.
Overall, lower percentage of minority and low SES students obtain a bachelor's or higher. However, even among higher SES students there are differences in attainment among various racial-ethnic groups.

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

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

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

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

Mr. Minor?

DR. MINOR: Good morning, Mr. Chairman, and members of the Commission. I want to thank you for the invitation to speak this morning. I am here -- I am happy to be here on behalf of the U.S. Department
of Education's Office of Postsecondary Education, which administers higher education programs designed to promote innovation and improvement in postsecondary education, expand access and opportunity to students from low income families, and increase college completion, which, as you know, has significant consequences for our nation.

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

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

The Office of Postsecondary Education administers numerous competitive and formula-based grant programs designed to support minority serving institutions, including Historically Black Colleges and Universities, Hispanic-serving institutions,
tribal colleges and universities, Native American-serving non-tribal institutions, Alaska Native and Native Hawaiian-serving institutions, Asian American, and Native American and Pacific Islander-serving institutions, as well as historically black graduate institutions.

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

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

As of 2012, minority-serving institutions enrolled 3.6 million undergraduates each year, 20 percent of all undergraduates. Hispanic-serving
institutions enroll 50 percent of Latino students, despite only being four percent of all colleges. More than 50 percent of students at minority-serving institutions receive Pell grants. That is compared to 31 percent of all students. And nearly half of all students at minority-serving institutions are first-generation college students versus 35 percent of those at majority institutions.

As you know, and as you've heard this morning, community colleges have a particularly important role to play in providing educational and degree opportunities for minority students.

Approximately half of all Hispanic students enrolled in postsecondary education attend two-year institutions, as do a third of African American students.

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

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

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

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

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

Congress has appropriated close to $850 million for TRIO programs in 2015. Also, in the Office
of Postsecondary Education's portfolio is Gaining Early Awareness and Readiness for Undergraduate Programs, also known as GEAR UP, which provides funding to states and partnerships to serve cohorts of students at high poverty middle schools and high schools. GEAR UP projects provide services such as tutoring, ensuring the development and implementation of rigorous curricula, fostering family involvement, and raising awareness of college admission and financial aid processes for students.

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

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

According to some estimates, we are now eleventh. The President has been clear about the goal to once again lead the world in having the highest
proportion of citizens with a postsecondary degree or credential.

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

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

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

An increased emphasis on evidence-based grant-making has resulted in more rigorous standards
for applicants seeking to obtain federal funds as well as higher expectations for the evaluations that will be produced once the program has been implemented. We believe that these requirements will enhance the project's success and provide important information that can be used.

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

Thank you.

CHAIRMAN CASTRO: Thank you, Dr. Minor.

Would you like to open the questioning, Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: Thank you, Mr. Chairman.

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

PROFESSOR FLORES: Yes.

COMMISSIONER ACHTENBERG: And yet we also
see large — we also see success happening through campus-based programs, and as a result of federal investment in such programs as delineated by Dr. Minor, namely TRIO and GEAR UP just to name two. I mean, there are many others. How do you explain those two variables?

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

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

COMMISSIONER ACHTENBERG: I see.

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

COMMISSIONER ACHTENBERG: I see. Okay.
That's an important clarification.

PROFESSOR FLORES: Yes, ma'am.

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

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

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

COMMISSIONER ACHTENBERG: Doesn't believe that, right.

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

So we know that there is a tremendous need across the country. And even given the size and scope
of the investment that the Department of Education is making, there are hundreds of thousands of students who are not being served due to a shortage of resources.

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

DR. MINOR: For GEAR UP.

COMMISSIONER ACHTENBERG: For GEAR UP?

DR. MINOR: Yes.

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

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

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

DR. MINOR: Some of them. So the range of
programs between GEAR UP and TRIO start to serve students as early as middle school --

COMMISSIONER ACHTENBERG: Right.

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

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

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

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

CHAIRMAN CASTRO: Sure.
COMMISIONER ACHTENBERG: Does your office also administer or have information regarding the SEOG, S-E-O-G?

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

COMMISIONER ACHTENBERG: Why is that? Because it's a congressionally mandated formula that -- or some kind of formula?

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

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

DR. MINOR: That's correct.

COMMISIONER ACHTENBERG: And we heard a statistic yesterday that $10 million of SEOG grants are
appropriated to all of the Ivy League universities collectively, and that collectively those Ivy League universities enroll 60,000 students. And I'm not clear the number of Pell-eligible students within that, but 60,000 students.

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

And I am wondering --

DR. MINOR: Let me just --

COMMISSIONER ACHTENBERG: -- how could that be?

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

COMMISSIONER ACHTENBERG: Sure.

DR. MINOR: There are two primary domains of grants that the Department makes. One is a formula-based grant, which means that the institution meets the formula as a Hispanic-serving institution, as a historically black college or university. They are eligible to receive that grant or award.
The other category is discretionary or competitive.

COMMISSIONER ACHTENBERG: Sure.

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

COMMISSIONER ACHTENBERG: Sure.

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

COMMISSIONER ACHTENBERG: Sure.

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

COMMISSIONER ACHTENBERG: So TRIO and GEAR UP are --

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

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

DR. MINOR: Well, the formula is
established in statute and regulation. So it neither is something that the Department is to arbitrarily change without --

COMMISSIONER ACHTENBERG: I understand.

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

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

DR. MINOR: That's correct.

COMMISSIONER ACHTENBERG: All right.

DR. MINOR: That's correct.

COMMISSIONER ACHTENBERG: Thanks very much.

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

It is just, you know, the population is bubbling up, so it's going to reflect itself in those
statistics for matriculation. Is that right?

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

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

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

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

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

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

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

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

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

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

We do not have data as differentiated for
Hispanic Americans. However, it is more difficult to assess that data. Many of these data we are getting from the schools and school districts, and they don't all collect it the same way. But certainly the Asian Pacific data is one that we are working very hard to have data in the future to differentiate the results.

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

DR. CARR: Yes.

CHAIRMAN CASTRO: Why is that?

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

CHAIRMAN CASTRO: Okay.

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

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

DR. CARR: Yes.

CHAIRMAN CASTRO: Is there some way that -- you know, yesterday we were talking about leveraging federal dollars for state investment in education. Is there some way that, since I'm sure all of these school districts are receiving some form of federal aid, that
you can request, if not mandate, that they provide you
with that data broken down by subgroup?

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

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

CHAIRMAN CASTRO: And so whose
responsibility is that?

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

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

DR. CARR: No. We are cognizant of the
need to differentiate amongst the origins of the
students. And we have started, as I indicated, most
notably with the Asian Americans. So --
CHAIRMAN CASTRO: Okay. So you plan to do
--

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

CHAIRMAN CASTRO: Okay. Thank you.

Commissioner Yaki?

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

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

One of the questions I wanted to ask for all of you, if you have it, is it appears to me that in looking at the issues of access to begin with, that community colleges play a very important role in providing a couple of things. One, if we can achieve, as some states are doing and as President Obama has wanted, to have free community college, we are sort of closing the financial access gap there.
But, secondly, within the community college system itself, you can provide the kinds of instruction that can get someone up to the speed where they can then transfer to the four-year institution for completion. Do we have any data on community colleges and their role and their success rate in terms of minority students, getting them in and being able to matriculate them into a four-year institution, and whether or not that has any impact on their ability to complete the baccalaureate degree? I mean, do we have any data on that?

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

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

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

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

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

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

COMMISSIONER YAKI: Dr. Minor?

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

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

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

In any state system, community colleges tend to be under-resourced institutions. The majority of the faculty tend to be adjunct or contract faculty. And there is not a residential component, which means
students who are pursing the associate's or taking classes at a community college are also living their life, unlike a lot of students who are attending four-year institutions, which in some cases impedes their ability to persist.

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

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

COMMISSIONER YAKI: Well, you know, it's interesting to me because, you know, the search for these kinds of answers -- I think that Commissioner Achtenberg was sort of talking about the fact that you have all these different things in play. I mean, education is a holistic endeavor. You're starting from -- you know, you're trying to make up for deficiencies that may have happened at K through 12,
and how do you do that? Do you do it -- do you do that at the community college level? Do you do it through supplemental services at the college level?

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

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

There is one thing that I want to pursue that Commissioner Achtenberg I think was trying to nudge you on, and I appreciate the fact that you may not be able to talk about it, but when you look at programs like TRIO, or you look at SEOG, which are
creatures of congressional creation, our job here is to be the watchdog. Our job here is to, you know, bark as loudly as we can on an issue where we think that maybe something needs to be changed.

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

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

Because we have a national challenge with a national goal to ensure that once you are there you make it out, because we heard testimony yesterday what happens about people who don't make it out, the debt burden that it causes to them, how it creates the legacy of debt for the next generation, that impedes their
ability to move on, you know, there are things that we can do.

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

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

COMMISSIONER YAKI: I understand.

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

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

COMMISSIONER YAKI: Actually, it's not even that. I would -- part of what I was looking at
-- and yesterday I asked this as well -- is do we need
-- I mean, it's great and it's certainly -- its
creation, we understood that first-generation
individuals are people who deserve extra attention.

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

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

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

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

DR. MINOR: All of those things combined,
and I think one of the opportunities will -- Congress
will take up the reauthorization of the Higher Education Act, and it is one of the questions that I think is worth pursuing, and I think the -- you know, the bigger question there is, how effective are the programs that we are currently invested in? Could we leverage the funds differently or focus them differently in a way that would be more effective and ultimately sort of improving the social mobility of the students that we think the programs were intended to help?

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

COMMISSIONER YAKI: Thank you, Mr. Chair.

CHAIRMAN CASTRO: Thank you.

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

PROFESSOR FLORES: Well, I'm not necessarily going to tell the federal government where
they should redistribute their money, but I will say that you brought up the point of successful grant writers. I think we do have a problem of capacity at some institutions, and capital -- social capital in terms of being able to leverage the best grants, the best designs, and so forth, and so I think maybe investing in institutional capacity to have stronger grant opportunities and more successful grant opportunities would be one way to think about where to spend additional funds.

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

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

CHAIRMAN CASTRO: Thank you.

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

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

And this question would be to all of our
panelists. As educators and others have looked out and reviewed pathways to higher education for our poor, our first-generation college, our underrepresented minority students, one of the fairly novel concepts that has been developed is that of the early college.

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

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

And I think it is challenging. I think theoretically and conceptually it is a wonderful idea in two ways. One is that students actually accumulate
college credits, which makes college more affordable. But I think what is more important about that is that they actually understand themselves as clearly transitioning from high school to some postsecondary institution.

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

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

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

VICE CHAIR TIMMONS-GOODSON: Is that something that the Department of Education can -- I
understand how education is generally a state-run program. But is there something that the Department of Education could possibly do to encourage folks to go and to get additional information? Because, you're right, the kids are actually on a college campus more often than not, and they begin to see themselves there.

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

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

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

I should say, though, that one of the things that is going to facilitate this type of data collection, the digital approach to transcript data collection, currently what is done for most schools and school districts is that we have to do it by hand, which
is very labor intensive. The coding of these data is
also not very standardized, and so there are some issues
to work out. But it will be available in the coming
years.

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

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

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

We have yet to -- we don't know what that
means for long-term trajectory, but we do have evidence
that completing the associate's degree does lead to --
increases the odds of completing a bachelor's degree.

VICE CHAIR TIMMONS-GOODSON: Thank you.

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

CHAIRMAN CASTRO: Sure.

VICE CHAIR TIMMONS-GOODSON: -- other
question?

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

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

DR. CARR: Well, I can say that we
certainly don't keep it, and -- but I don't doubt that
it doesn't exist or if people aren't using it to make
such projections. But I can't say that the gaps
between minority students and white students are large and they are persistent and they start early.

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

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

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

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

DR. MINOR: I would concur with Peggy. I don't doubt that the statistic exists. It is not something that the Department of Education maintains.
PROFESSOR FLORES: And I would just add there is evidence out of economics that shows increased educational attainment, and especially completion of the high school degree, reduces crime.

CHAIRMAN CASTRO: Thank you.

Commissioner Narasaki, followed by Commissioner Heriot.

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

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

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

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

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

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

   But one of the things that I have been very clear about, and I think the Department is very clear about, is increasing the rigor of the evaluations that
are attached to the program. Some of these programs were started 50 years ago, and rigorous evaluation about effectiveness was not a part of sort of the legislative record at that time.

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

I met with the group just two weeks ago, and one of the things that I try and communicate to them -- these are not federally funded programs to build roads or to build bridges. These are young people. And I take seriously the issue that we could be spending taxpayer dollars in programs that don't effectively help students be successful in educational systems. So it is something that we are very serious about, and I expect that to become a much more significant factor going forward.

CHAIRMAN CASTRO: Anybody else?

COMMISSIONER NARASAKI: Has Congress been providing sufficient funding to do the kind of research
that I think everybody agrees would be ideal?

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

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

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

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

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

CHAIRMAN CASTRO: Are you sure?

DR. CARR: Yes.

CHAIRMAN CASTRO: Okay.
COMMISSIONER NARASAKI: I actually had one more question.

CHAIRMAN CASTRO: Go ahead.

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

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

DR. MINOR: Let me just say quickly I'm very proud of one of the programs that is run by the Department of Education. It's not a TRIO or a GEAR UP program, but we refer to it as CAMPAS, Child Care Access Means Parents and School. And essentially what it does is provide child care access for students who have children. And so I think it's a critically important factor.
One of the things that I want to make clear, and I don't know that this data point has come up in the day and a half that you all have heard testimony, is that we often talk about college students as 18-year-olds who just left high school when in fact that's not true, that the mean age of students has gone up over the years.

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

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

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

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

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

CHAIRMAN CASTRO: Thank you.

Commissioner Heriot?

COMMISSIONER HERIOT: Thank you. I just wanted to go back to a point that the Chairman started with, and point out that it's a complicated world for all races. And we talked about disaggregating data for
Asians and for Hispanics. But disaggregation is going to make things look different for blacks and whites as well, I believe.

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

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

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

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

DR. CARR: Well, you know, it's a very complex set of questions you start asking people those sorts of things about their religion, even sometimes
their origin, their country of origin. So we have to be very careful. We work closely with OMB regarding how we can ask these questions and how we can report out on these questions. Just because the states or the school districts collect the data doesn't mean that OMB will support us reporting our data in that way.

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

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

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

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

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

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

COMMISSIONER HERIOT: The thing that worries me is that I think a lot of Americans get the idea that blacks as a group and whites as a group are monolithic, and neither group is the least bit monolithic. You know, they are very complicated groups, and it is -- I take, you know, your point on the difficulty of collecting the data and the sensitivity of the issue. But it is important to me
that people understand that these are not monolithic
groups.

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

COMMISSIONER KIRSANOW: I believe so.

CHAIRMAN CASTRO: Okay. Go ahead.

COMMISSIONER KIRSANOW: Thanks very much, Mr. Chair.

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

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

So income, for $100,000 income for a black
family might mean something very different than
$100,000 for, say, a white family, or having a four-year degree for a black family, a family with parents with four-year degrees, may be something very different from a family with a different sort of access to a different type of four-year institution. So it varies, and so we have to be very careful.

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

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

DR. CARR: Yes.

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

DR. CARR: Yes.

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

DR. CARR: Yes.

COMMISSIONER KIRSANOW: Do you have an
analysis or any data, has the Department done any
analysis or data why low SES Asians outperform just
about everybody else?

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

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

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

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

    And the big question again is whether or
not the investments, or a two percent increase or a three percent increase, whether or not that is sufficient to actually sort of see the movement we need to see across the country, but in the last just several years have been relatively flat with small incremental increases.

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

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

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

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

You heard me mention earlier the
President's goal to be first in the world. That has been complemented by the establishment of a grant program to spur innovation and degree completion in postsecondary education. So that program this year is only two years old.

COMMISSIONER KIRSANOW: So you --

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

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

PROFESSOR FLORES: Students who start -- yeah.

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

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

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

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

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

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

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

COMMISSIONER NARASAKI: Mr. Chair, can I just answer his question?
CHAIRMAN CASTRO: Oh. Is that what you wanted to do?

COMMISSIONER NARASAKI: Yes.

CHAIRMAN CASTRO: Go ahead.

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

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

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

COMMISSIONER KIRSANOW: My understanding
is parental education is one of the SES factors. Correct?

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

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

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

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

Thank you.

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

CHAIRMAN CASTRO: Okay. We'll get started.

We are reconvening now for our second panel of the day. Let me briefly introduce our panelists and then swear them in.
Our first panelist is Dr. Timothy P. White from The California State University. Second panelist is Dr. William E. Kirwan from the University System -- I'm sorry, I'm looking at the wrong one. Yes. Okay. So you're sitting in for Dr. Kirwan. It's Patrick Hogan.

We have Scott Miller with the University of Virginia. We have Dean Maurice Apprey from the University of Virginia, and we have Vijay Pendakur from the Cal State-Fullerton school system, and our final panelist is Dr. Darrick Hamilton with the New School of Public Affairs.

I will ask you each to raise your right hand to be sworn. Do you swear or affirm that the information that you are about to provide us is true and accurate to the best of your knowledge and belief?

SEVERAL: Yes.

CHAIRMAN CASTRO: Okay. Thank you.

Dr. White, please proceed.

PANEL II

DR. WHITE: Well, thank you, Chair Castro, Commissioners, and staff, for the opportunity to speak with you today. My name is Timothy P. White. I am a chancellor of The California State University.

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

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

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

By creating multiple points of entry, for high school graduates, transfer students, returning adults, and advanced professionals, California's
public colleges and universities are meeting the needs of the modern student. In fact, you can see the public mission of The Cal States reflected in our student population.

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

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

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

The first, and often the most daunting barrier to degree completion, is college readiness. The CSU has embraced several approaches to empower students who need additional preparation to be
successful in the university environment.

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

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

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

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

Serving the modern student means confronting the full range of barriers they face. Yes,
I am here to tell you that these barriers can and will be overcome. CSU students, faculty, and staff are already leading the way.

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

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

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

For example, and as detailed in my written statement, CAMPAS state aid funds are currently being allocated inequitably. Outdated formulas mean that existing dollars disproportionately go to a few students at high cost institutions. This is a policy
area that lawmakers can, and in our judgment should, address.

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

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

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

You know, we are all in this together. For me, it is professional, but it is also intensely personal. I, like Chair Castro and Commissioner Achtenberg, and so many others, are first generation. As an immigrant from Argentina, I was low income, and
my high school, like yours, did not encourage me to consider college.

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

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

Thank you very much.

CHAIRMAN CASTRO: Thank you, Dr. White.

Mr. Hogan?

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

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

By way of background, the University System of Maryland comprises 12 institutions, three research universities, three historically black
institutions, four traditional comprehensives, two 
regional higher education center, one specialized 
research institution, and one virtual university. 

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

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

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

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

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

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

The benefit to campus-based programs is that they are just that. They are campus-based, and they really are student-based. The institutions know their students and have flexibility under program requirements to award the funds accordingly. Because of that, the relatively small dollars invested in these programs have a tremendously high return relative to retention, persistence, and graduation rates for underrepresented students.
These programs level the education playing field for under-resourced students and are often the deciding factor about a student completing his or her degree. But they are woefully underfunded, and many students are not able to take advantage of that.

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

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

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

Just looking at the example of Towson, consider how many more low income underrepresented
minority students could be reached with additional funding and/or an improved formula for more equitable distribution of these funds.

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

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

We also want to make one point very clear. We are all for making every program effective, spending
every dollar as efficiently as possible and putting the money where it can do the most good for students, but given the relatively small contribution of federal work-study and SEOG overall aid funding, the impact of any change to the efficacy of these programs would be minimal. To significantly increase their impact, there needs to be substantial increased funds for these programs.

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

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

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

Let me close by returning to my original
observation. As a nation, we need to do more, much more, to support higher education access and completion for low income underrepresented minority and first-generation college students.

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

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

CHAIRMAN CASTRO: Thank you, Mr. Hogan.

Dean Miller?

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

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

Thomas Jefferson founded University of Virginia in 1819 with the goal of creating an educated citizenry to advance the ideas of democracy. Today, the university is comprised of 11 schools with 15,400
undergraduates and another 6,400 graduate students. Approximately 70 percent of our undergraduate students are Virginia residents.

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

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

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

The practice of meeting need for all students, in state and out of state, began with the entering class in the fall of 2004. The University of Virginia is just one of two public universities with
a need blind admission policy and a commitment to meeting 100 percent of demonstrated need for all students.

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

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

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

For this same timeframe, campus-based funds have dropped from being 18 percent of demonstrated financial need to five percent. Access UVA has helped to increase the percentage of students with financial need from 23 percent to 34 percent of
our undergraduate population, and our Pell Grant population has increased from five percent to 13 percent.

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

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

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

Nearly 25 percent of low income students
who score in the top quartile on standardized tests will never go to college. College access studies have found that the complexities of college and financial aid applications are a serious barrier for low income students, many of whom are the first in their families to consider college.

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

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

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

Advising Corps members are supported financially by the university, other sponsors, and by the AmeriCorps program. Currently, 17 advisors serve in 19 partner high schools, and the program became the
model for the National College Advising Corps, which is now present in 14 states and 423 high schools.

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

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

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

So Access UVA and the Virginia College Advising Corps are just two of the many initiatives that the University of Virginia has utilized to increase access to higher education, after we meet their
demonstrated financial need.

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

CHAIRMAN CASTRO: Thank you.

Dean Apprey?

DEAN APPREY: Thank you.

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

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

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

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

Two, the strategic position must have strategic consistency with the equally high expectations of the university.
Three, strategy perceives operational effectiveness.

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

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

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

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

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

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

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

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

And, third, student academic performance must allow the students to compete for greater access to more opportunities when they graduate.
When you put all these together, you will have a certain number of programs that make these things happen -- facilitate entry in an adjustment program called the Peer Advisor Program. Gets the student started. Retention programs follow, which we call the Great Style Program. It includes faculty mentoring, et cetera.

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

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

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

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

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

There it is. So here, for example, in the 3.4 to 4.0 range, I gave you 10 data points. In 2006,
students graduated in that cohort with 10.4 in the 3.4 to 4.0 range. Today, it is 20.7 in the 3.0 to 3.399 range, 19 -- 2006, it was 27 percent, today it is 61. Put them all together, in 2006, students graduating in the 3.0 to 4.0 range were 37.4. Today, as we're speaking, it is 81.7, more than double that GPA.

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

Thank you for the attention.

CHAIRMAN CASTRO: Thank you, Dean.

Dr. Pendakur?

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

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

Chancellor White often says, and I firmly believe, that access without the opportunity to succeed
is not true access. A meaningful education means not only getting your foot in the door, but being empowered with the support to persist and succeed all the way through to graduation.

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

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

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

Forty-three percent of our undergraduates
are Pell Grant recipients, and 57 percent are first-generation college students. Yet at Cal State-Fullerton we recognize that access alone is not enough. We are also a national model for student success, ranked first in California and tenth in the nation for graduating Latinos, and fourth in the nation for graduating underrepresented minority students.

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

I have detailed many of the relevant strategic plan activities in my written testimony, but want to highlight several initiatives that might be of particular interest to the Commission today. Cal State-Fullerton is proud to house six TRIO and GEAR UP programs, which consist of Educational Talent Search,
Upward Bound, two GEAR UP grants, student support services, and the McNair Scholars Program.

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

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

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

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

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

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

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

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

The current limitations in federal funding disproportionately affect students that rely most heavily on programs and grants from the federal government. These limitations are adding additional
obstacles for students on their pathway to transformative learning and degree completion.

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

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

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

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

Commissioners, thank you for the
opportunity to testify today, and I welcome any questions you might have.

CHAIRMAN CASTRO: Thank you.

Dr. Hamilton?

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

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

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

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

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

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

The implication of this rhetorical shift
is a public sentiment away from public responsibility for the conditions of black Americans and other subaltern ethnic and racial groups. For example, although affirmative action is designated as a positive anti-discrimination policy aimed at desegregating the elite institutions, including elite university admissions, a common perspective is that affirmative action amounts to reverse discrimination where unqualified blacks take the admission slots for qualified whites.

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

It also ignores the well-documented evidence from experimental psychologists Claude Steele and Joshua Aronson involving the phenomena of stereotype threat, stereotype boost, and stereotype lift. They collectively demonstrate that outcomes on high stakes standardized tests like the SAT
underestimate the achievement of college readiness for test takers from groups socially stigmatized as cognitively inferior while correspondingly exaggerate the scores of individuals from groups socially deemed as cognitively superior.

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

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

For families whose head earned a college degree, the typical black family has about $23,000 in wealth, while the typical white family has close to eight times that amount with about $180,000 in wealth.
This amounts to a difference of about $160,000 between similarly educated households.

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

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

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

The racial wealth gap cannot be explained by higher education. It is explained by inheritance, bequest, and in vivo transfers which really account for more of the racial wealth gap than behavioral, demographic, or socio-economic indicators.
These intra-family transfers provide young adults capital to purchase a wealth generating asset like a home, like a new business, or a debt-free college education that will appreciate over their lifetime. Access to this non-merit-based seed capital is not based on some action or inaction on the part of the individual but, rather, the familial position in which they are born.

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

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

CHAIRMAN CASTRO: Thank you, Dr. Hamilton.

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

COMMISSIONER ACHTENBERG: That was a very sobering analysis, and to put into perspective the fact
that nothing is a panacea. But I also appreciate your recognition that this is a significant issue and one that does address at least partially the aspiration for upward mobility and improvement in one's socio-economic status within generations and beyond.

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

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

(Laughter.)

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

And so the various programs, such as the
Summer Bridge Program or Early Start Program, let's take the San Bernardino campus in inland Southern California. Has a disproportionately high number of Pell-eligible students. There's a lot of poor kids.

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

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

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

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

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

They, in order to manage life, cannot take a full load all the way through. We could raise our graduation rates by excluding those students from enrollment, but I think we have taken the position at the CSU that we should be prideful and crow about who we graduate, not who we exclude.
And so we are working hard on getting more students to degrees sooner by these cohort individualized programs recognizing that they are not a monolith, as you mentioned earlier, across any race or ethnicity, but rather to individualize the programs that help support them have success and achieve and move to a degree sooner. And that may differentiate from the flagships who have a different admission standard.

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

COMMISSIONER ACHTENBERG: Could I ask --

yes.

MR. PENDAKUR: I was just going to tag on to the back end of Chancellor White's comments with some specific remarks from Cal State-Fullerton's vantage point. I recently made -- I am a new addition to Cal State-Fullerton, and I -- my past experiences for a number of years have been working on issues of student retention, persistence, and timely graduation in selective institutions or flagship state institutions.
And so I thought, okay, I'm coming to Cal State-Fullerton. I've done my research. I've got a good idea of what is going on here, and I am entering an environment that is 98 percent commuter, 50 percent Pell, the majority minority, HSI, ANAPISI, a lot of the methodologies that have been normative at flagship state institutions and selective private institutions are limited in their scalability. All right?

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

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

But what we can do is onboard technologies that allow the academic advising staff that we do have to use a much more sophisticated, predictive analytics platform to make sure that the advising time they spend with students is spent on the students who need the help.
the most and on the students who are most likely to benefit from one to two points of academic advising engagement across their first two years at the institution.

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

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

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

So that they can say, you know, I'm thinking about switching from this major to that major,
which is very common, right, what will the implications
be on all the credits I brought into the system? And
how will that reorganize itself so that my time to
degree doesn't change? What do I need to do as a result
of this shift in career discernment and the need for
a new major?

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

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

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

I'll put my business school hat on and say
short bursts scaling across is the way to go. You don't say, "Oh, this program has a wonderful peer advisor program. Let's do it for everybody." You've got to systematically think your way through it.

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

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

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

COMMISSIONER ACHTENBERG: Thank you.
DEAN APPREY: Thank you.

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

CHAIRMAN CASTRO: Sure.

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

And yet Commissioner Yaki -- the answer to Commissioner Yaki's question about how predictive of success is actually going to the community college in the first place, those two -- what is the relationship between those two seemingly contradictory statistics?

Chancellor White and Dr. Hogan.

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

And, you're right, the community college transfers for us tend to be more successful and result in being about 60 percent or so in any given year --
it varies -- two or three percent of our overall graduates.

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

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

There is also legislation that occurred a handful of years ago in California creating associate degrees for transfer, which actually challenged both the community college faculty and the California State University faculty, and, to a lesser extent, the University of California faculty to create model transfer curricula in which students, if they take a
certain set of courses at a given community college, it is guaranteed access when they pass those at the appropriate level, guaranteed access to a California State University campus.

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

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

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

So it is -- I don't think they are contradictory, but I think it's -- the evidence of where there is success means that there is some structure and
some expectation to go beyond the community college.

COMMISSIONER ACHTENBERG: Thank you.

Dr. Hogan, do you want to comment?

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

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

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

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

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

Oh, and by the way, here is -- start thinking about scholarship programs and financial aid programs. And if you can put away a little bit of money, I mean, $25 a month, I mean, you know, we have
a college savings program, you know, so all of those structures are in place, and we have a very, very almost seamless articulation system between our community colleges and our four-year institutions. And that is key also.

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

COMMISSIONER ACHTENBERG: So there are programs that work.

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

CHAIRMAN CASTRO: Sure.

DR. HOGAN: We found a lot of students who -- talk about this churning or swirling or sometimes we call it just credit accumulation with nothing to show for it, we found a whole group of students who went to a community college, got, you know, 30 or so credits there, then transferred to a four-year institution and
got another, say, 40 credits, and then that's it.
Okay? They now have 70 credits; nothing to show.

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

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

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

An institution like Coppin State University, historically black institution right in Baltimore City, they are -- woefully low six-year graduation rate. Students who transfer from community colleges, four times as high graduation rate. So I was
actually quite concerned when I heard statements that community college transfers don't succeed. We don't have evidence of that. Ours do succeed.

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

COMMISSIONER KLASTNEY: Thank you, Mr. Chairman.

CHAIRMAN CASTRO: You're very welcome.

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

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

At some point in the near future, we are going to be writing a report that is going to make recommendations probably with respect to increasing college access, persistence, and attainment rates for underperforming minorities. And we have had several panels that have been phenomenal and they have cited a number of programs that ostensibly increase all of those rates.
But when you write a report to Congress and the President, it comes down to basically one thing: money. Okay? So I have heard from a number of panelists that we need substantially more funding. I also have heard from panelists that some of these programs have been in effect for 50 years. We have had a Department of Education that has been in existence for 36 years. Its budget is $70 billion a year. It spends trillions of dollars, and our SAT scores are flat.

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

That, to put it charitably, is just a modest improvement, and I'm being very charitable. And I don't mean to be throwing cold water on all of this, but if we are writing a recommendation to Congress, if it comes down to money, of the myriad programs I have heard about here -- and there have been a number of very interesting ones.
I have heard from -- you know, Dr. Apprey has got a lot of interesting approaches. Mr. Pendakur has a lot of -- all of you have. Bang for the buck. Which ones, in your estimation, are the most effective?

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

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

And so I think if I were to be saying what matters the most are the types of support mechanisms, let those who come from a low income status or a first-generation status, a naïve status if you will,
of how to -- what college is all about, the opportunity
to be engaged and to stick and to really focus, and not
just be dropping in and dropping out and taking a class.

CHAIRMAN CASTRO: Go ahead, Mr. Pendakur.

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

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

So my mic is out of batteries, but I'm a
loud person. So closing the achievement gap
oftentimes takes different strategies than improving
the overall four-, five-, and six-year grad rates. So
in the Access to Success Initiative, institutions were
able to do a lot of good in the first five or six years of the initiative in moving the needle on four-, five-, and six-year grad rates. But when you move the overall by 10 points, and let's say African American students were lagging by 15 points, and everybody moves by 10 points, African American students are still lagging by 15 points, right?

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

The institutions that have been able to move the needle at all on closing the achievement gap are doing both and are trying to also work very specifically with higher risk student communities to make sure that they are supported, mentored, you know, engaged with faculty, embedded in high impact practices, all the good stuff, right? But that has to be done with great intentionality around issues, if you're talking about the achievement gap for students of color, around race.
And so I think -- I just wanted to make sure that that was stated for the record today.

CHAIRMAN CASTRO: Dr. Hamilton?

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

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

They have an indicator of giving -- family giving to adult children towards various activities, and one of which is education. So clearly that is
supporting their children in higher education.

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

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

And, indeed, 55 percent of the black children -- of the adult black children who receive help from their families supporting higher education actually do get a graduate education degree. Of course, those results have all types of selection and reverse causality, but what is noteworthy is that resources really are key and that there are families
that aren't even within -- when we think about these
deficit models, there are some families that have
resources in these subaltern groups that are able to
come up with great outcomes.

I hope that's helpful.

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

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

CHAIRMAN CASTRO: Okay.

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

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

CHAIRMAN CASTRO: Commissioner Kirsanow,
if you're done, I'll have Commissioner Narasaki ask a
question, and then we might have time to get
Commissioner Yaki in as well.
COMMISSIONER NARASAKI: Thank you. I just want to first of all applaud UVA for moving to a need blind admissions and making a commitment of support to make sure that everyone who qualifies is able to attend. I think that's an amazing act of leadership among a very important flagship school. So I just want to note that.

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

(Laughter.)

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

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

So I'm wondering what your position is in terms of raising the Pell Grant amounts, and also whether a stipend program might be worth exploring.
And then, the second question I had was for those of you who talked about the TRIO programs, so there has been some recommendation that the myriad of different programs be merged into one more general grant program, and I'm wondering what your thoughts are about what kinds of reform in those programs might be helpful.

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

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

The stipend model I think is an interesting one to try on a pilot basis. I actually come from the belief that we ought to be clear as a nation and as a state, and in my case as a system on goals, but loose on the means to get there. And so a campus like
Fullerton can tailor their financial aid around the types of students that they have, which differ than the kinds of student we have at Cal Poly San Luis Obispo, for example, in terms of their backgrounds, and so forth.

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

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

COMMISSIONER NARASAKI: Thank you.

CHAIRMAN CASTRO: Dean Miller?

DEAN MILLER: Can I speak on that? I would just like to echo what Chancellor White is saying about the two Pell in one year, the summer Pell, because we saw -- we have a limited amount of money that we can use to be able to assist students for summer school,
which does allow them, if they are not meeting satisfactory progress or they need to get ahead or they want to try to do a double major, or something along those lines, and especially our low income students, by having an additional Pell for the summer, it allowed our institutional aid to go further and to be able to help other students.

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

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

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

COMMISSIONER NARASAKI: Yes. I mean, I'm thinking about stipends -- many of the panelists come from schools where the students are actually having to work full-time. So it's not just the cost of school, it's actually also you have less time for school because
you're working 40, 50 hours a week.

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

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

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

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

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

VICE CHAIR TIMMONS-GOODSON: And we're putting in less and less as times goes by.
DEAN APPREY: Absolutely.

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

(Laughter.)

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

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

DR. HOGAN: We are a state public university system. I mean, just by that definition that means the state should be investing in its public higher education system. Knock on wood, I have been
fortunate to be in Maryland. That has not cut higher
education funding as dramatically as it has in many
states.

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

CHAIRMAN CASTRO: Thank you.

Did you want to say something, Dr.
Hamilton?

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

But we have seen -- I guess I'm rambling
on, but I can cite many examples -- the G.I. bill,
administration of the G.I. bill, as one that led to
disparate outcomes in higher education by having it
administered at the state level as opposed -- even
though the funding came from the federal level. We can go on and on and on.

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

CHAIRMAN CASTRO: Okay. Thank you.

Commissioner Yaki, a quick questions, please.

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

And it is apparently showing dramatic success -- it is called the ASAP Program -- to get people out of the swirl. It's interesting because what wasn't said, but in a separate conversation I had with Dr.
Pendakur, he was talking about the fact that you basically run out of Pell Grant eligibility if you're caught in that swirl.

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

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

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

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

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

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

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

Thank you, everyone, and we are going to
take a break now until 1:00. We will convene here
starting at 1:00 for the afternoon panels.

    Thank you.

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

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

(1:01 p.m.)

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

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

COMMISSIONER KLADNEY: I'm here.

CHAIR CASTRO: Thank you, Commissioner Kladney.

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

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

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

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

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

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

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

(Chorus of affirmative responses.)

CHAIR CASTRO: Okay, thank you.

Mr. McCluskey?

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

PARTICIPANT: Sir, your microphone.

MR. McCLUSKEY: Oh, can I start over?

CHAIR CASTRO: Yes, go ahead.

MR. McCLUSKEY: Does that count against me?

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

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

I want to start by saying that while I will be speaking about ethnic and racial groups, all people are individuals. No sum of any person is his or her race or ethnicity.
I should also note that I have not previously done research dealing with racial and ethnic achievement gaps but am familiar with the gaps from studying American education as a whole as well as researching the effects of contributors to student performance.

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

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

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

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

Perhaps due in part to the quality of
college's access, there may be disparities in completion. Low- and moderate-income blacks and Hispanics appear to complete post-secondary education at lower rates than white students. According to work by Camburn, low-SES white students are more than twice as likely as black or Hispanic students to finish college. Camburn's work was published in 1990 and based on only six metropolitan areas.

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

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

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

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

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

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

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

Possibly supporting this are large African American NAEP gains from the late 1970s to 1990 that may at least partially be attributable to an improving
Feelings of powerlessness remain, however, and given high-profile cases of possibly egregious police misconduct -- can you hear me now?

CHAIR CASTRO: Yes.

MR. McCLUSKEY: Let's see --

CHAIR CASTRO: Egregious police misconduct.

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

CHAIR CASTRO: I was listening closely.

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

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

That said, everything from learning
experiences outside of a child's home to how a child is disciplined appear to affect outcomes. The presence of quote unquote "middle class parenting practices" seems to have significant effect.

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

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

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

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

Random assignment studies have found
private school choice programs have significant positive effects, especially for African Americans, including increases in college enrollment persistence.

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

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

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

What is the track record of federal programs intended to smooth students' paths to college?
Federal programs such as GEAR UP, Upward Bound, and Talent Search programs found only very limited benefits and used less-than-ideal research methods. These are reflective of other federal programs. There is no compelling evidence that they meaningfully ameliorated college preparation or access problems.

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

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

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

This also suggests that we need civil society: church groups, Kiwanis Clubs, et cetera, to do such things, to reach out to low-income parents and
provide services such as conversation, intensive
daycare, or college counseling.

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

CHAIR CASTRO: Thank you, Mr. McCluskey.

Mr. Haskins?

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

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

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

A second thing, these -- probably, the
differences in intellectual achievement play a big role in huge differences in household income so that we have huge discrepancies in household income. The average white lives in a household that has a $58,000 income, the average Hispanic $41,000, and the average black $34,600. That's a 40 percent less income in household for black families.

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

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

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

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

You can see the same thing throughout the
distribution. There are -- it's a huge problem for parents to pass their advantage -- minority parents to pass their advantages on to their children.

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

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

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

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

Whereas, if they don't go to college, they have only a 10 percent chance. If they go to college, they have only a 10 percent chance of being in the bottom.
I have been studying -- I have been looking at studies all my adult life. There are very few impacts of that magnitude. That is a huge impact.

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

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

But there is bad news too. Next chart.

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

But look at the -- look at the rates, the bottom chart, it shows the ones that actually graduate.
Here, you can see that the graduation rates, as I mentioned, are a huge problem. So kids enroll, but they don't graduate, and that is a very, very big problem that the Commission should focus on. Many of those kids wind up with debt, and they don't get the degree that allows them to earn more money to repay their debt, so this is a really big problem that I think you should look at carefully.

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

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

So both parents' income and achievement, and here is another thing I'd like to draw your attention to: look at all the space, especially in the middle and the top third, between 100 percent and the
level where they are. Those are kids that that's the -- that's the right route to try to get those kids more likely to go to college. They appear to be prepared, and preparation is a big deal.

So next chart.

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

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

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

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

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

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

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

Thank you.

CHAIR CASTRO: Thank you, Mr. Haskins.
Ms. Siqueiros?

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

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

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

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

You know, first of all, I certainly wouldn't be before you today if it weren't for the fact that there had been federal investment and state investment in my college opportunity. I am the first in my family to go to college. I was only able to do
so because I got a federally subsidized loan. I received a Cal Grant. I got work study. All of those things made my opportunity to go to college and earn a degree possible.

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

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

Your review of this topic is really essential. You know, I would argue that this certainly is a civil rights issue of today. Whether or not
students have an opportunity to go to college is critical. For low-income students, it is actually harder to go to college today than ever before. Only 30 percent of students from low income backgrounds enroll in college, compared to 80 percent of their higher-income counterparts.

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

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

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

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

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

So in spite of our expansive California higher education system, Latinos are not represented in -- in relation to their numbers in the population at any of those institutions, whether it's community colleges, Cal State, for-profit colleges, independent
colleges, or the University of California, and you can see in the chart before you just what those statistics look like.

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

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

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

You also see that black students in our state are slightly over-represented at California community colleges, similar to Latinos, if they go to college, they enroll at a community college. They are over-represented at for-profit colleges, significantly under-represented at the University of California and the Cal State system, and in fact, we found in this research report that there has been a decline in black enrollment at the Cal State system since the recession.
Some of the concerns obviously are about college preparation. Only a third of California students come out of our high schools with having completed the A-G course requirements, which you need in order to even apply to a University of California or a Cal State system, so right off the bat, 70 percent of Latino and black students in our state can't even enroll or apply at a university.

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

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

I know that my time is up, so I just wanted to highlight a few of the recommendations. You know, we do believe that we have to support enrollment for students, but completion is key. We should
incentivize, we should measure performance by our universities for Pell and low-income students, not just enrolling.

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

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

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

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

CHAIR CASTRO: Thank you. Ms. Neal?

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

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

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

MS. NEAL: and -- do I need to turn something?
CHAIR CASTRO:  Oh yeah, there you go.

MS. NEAL:  Sorry.  Let me start again.

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

Put simply, students need clear information about quality and financial stability to have the best chance for success, most especially, those with limited financial means and limited familiarity with higher education, yet the accreditation system fails those students, and I will pose an alternative.

Let's start with a little background.  In passing the Higher Education Act nearly 50 years ago, Congress linked accreditation and federal student aid to prevent students from squandering taxpayers' money as well as their own on diploma mills.

It took accreditors who had traditionally provided voluntary peer review of academic programs and made them gatekeepers of Title IV.

Accreditation, in other words, ceased to be a voluntary choice and became a costly mandate since virtually every school in the country depends on Title
IV to survive.

The HEA provided that accreditors would be guarantors of educational quality, so it is no wonder that parents and the public, and to be blunt, many members of Congress, mistakenly believe accreditation is a good housekeeping seal of approval.

Today, nearly 7,000 colleges, universities, and professional schools in the United States are accredited so that they can receive Title IV funds. In the 2012-2013 school year, Title IV amounted to $170 billion.

The OECD data show, incidentally, that the United States spends more money per pupil in higher education than any other nation.

Yet accreditation is not a reliable indicator of quality, and the so-called good housekeeping seal deceives students and consumers.

As Professor Milton Greenberg has written, it is essentially a confidential process which hides an institution's advantages and disadvantages. Let me explain.

Harvard is accredited, Yale is accredited. So are Amridge University, Hodges University, Our Lady of Holy Cross College, The University of Texas at Brownsville, and Armstrong Atlantic.
If I am a student at Harvard, I am nearly 100 percent likely to graduate in four years, but if I go to Amridge University in Alabama or Hodges University in Florida, based on the data from the 2007 cohort, I have zero chance of graduating in four years, assuming I am a first-time full-time student.

If I go to Our Lady of Holy Cross College, I have a five percent chance of graduating in four years. Among African American students, or a quarter of the student body, only seven percent of first-time full-time students graduate within six years.

At the University of Texas at Brownsville, where 90 percent of students are Hispanic, only 9 percent of first-time full-time students graduate within four years, and admittedly, there are problems with the graduation rates, they are not perfect, but it gives us a snapshot of what is happening.

Schools with sad stories of performance are accredited and receive Title IV funds, but students have no way of knowing what they are getting into as they take out loans to pursue their dreams.

Student debt now exceeds $1 trillion, and those most likely to be in debt, heavy debt, are minority students.

Bottom line, all students are hurt by
accreditation, which too often protects institutions that do not provide transparent information and do not deliver good outcomes, but the negative impact is greatest on those students who typically have the most limited financial means and are least familiar with how higher education works. It isn't just that they don't graduate, it is that they often leave with lots of student debt and few employment prospects.

This is morally indefensible, and the blame should be placed on colleges and their accreditors.

But that is not the end of the story. Students are also hurt because accreditation standards often lead to higher costs with very limited benefits. Over the years, accrediting associations have been quite happy to exhort colleges and universities to advance inputs and spend more money. Financial burdens are imposed, often with no obvious return.

For example, Campbell University in North Carolina, with a 23 percent minority population, was placed on probation some years ago because its standard faculty teaching load was 15 hours per week. The accreditor insisted that 12 hours was the maximum acceptable load, so the school solved the problem by consolidating class sections. Instead of the
relatively small classes students had come to expect, students now found themselves in classes of 60 or more.

What accreditors do not value is also instructive. Accreditors do not assess whether a school has put in place a rigorous core curriculum: a prescribed, limited, and typically far less costly set of course requirements that help point the way toward completion.

ACTA reviews the core curricula at nearly 1,100 institutions across the country. Notably, HBCUs do particularly well in our survey: Morehouse College and Clark Atlanta are 2 of only 23 schools to receive ACTA’s A rating for their general education programs ensuring exposure to foundational subjects.

But do they get any special shout-out from the accreditors? No. In fact, schools that had diffuse and do-it-yourself curricula are more likely to be praised.

Now, what does a school do if it is being abused by an accreditor? Many HBCUs over the years have criticized the interference of accreditors. They have raised concerns about their standards, which invariably raise costs without clear intended benefits.

These questions are legitimate, but the
fact is, institutions in these situations have no place to go. A regional monopoly of accreditors gives virtually no choice to institutions if they are being disserved.

Just one example, recently, of how accreditation also interferes with innovation. In Ohio, there is a school called Tiffin. Some years ago, faced with the challenges of the higher ed marketplace, they made available online programs for those who could not pay big tuitions, and they were able to show proven student learning gains.

The accreditor, the Higher Learning Commission, however, decided to second guess for-profit partnerships, and Tiffin was forced to put an end to this online innovation. Many students, at least 47 percent minority, with 90 percent eligible for Pell Grants, were left without an affordable educational option.

We need to put an end to the existing opaque system and create a far better, more transparent, and far less costly way, and I am happy to report that this is being done at the state level, most particularly in Florida, where higher education leaders were frustrated by the opaque system of accreditation and instead put into place an annual accountability report.
of key metrics.

Because of this, we know that the minority students and their families have been empowered more than ever before, and I would be happy to talk more about those details, but just by way of example, in 2010, the University of Florida, which was outlined in this accountability report, proved to be one of four flagship institutions given the highest marks on measures of equity serving low-income and minority students by Education Trust.

The bottom line, more money is not the answer, great accountability -- greater accountability is.

It's time we eliminated the deeply flawed accreditation system and replaced it with a transparent system of accountability that rewards schools that do right by their students.

Thank you so much.

CHAIR CASTRO: Thank you.

Commissioner Achtenberg, would you like to open up the questions?

COMMISSIONER ACHTENBERG: Thank you, Mr. Chairman.

Mr. Haskins is from the Brookings Institution, Mr. Chairman.
CHAIR CASTRO: Oh, I am sorry.

COMMISSIONER ACHTENBERG: It's okay, common mistake.

The achievement of the baccalaureate degree, the key to social and economic mobility. Your -- your figures indicate that that is indeed the case. Do you have any -- how can you explain why that is?

MR. HASKINS: I think it's both because they actually learn something in college, they make contacts with people that help them later, helpful to have a college -- a four-year degree when you apply for a job, so there are all those effects.

But there are also something that researchers call selection effects, and that means that a kid who goes to college, and you saw the data on how many drop out, the ones that finish, it isn't only because they learn more. It's -- there is a whole complex set of features that they have that they stick to it, that they work hard and when things get tough, they stick it out, and so forth, so there are -- those are selection effects. They are not directly measurable, or they're certainly not measured, but they do contribute.

And so college, in that sense, is kind of a sorting device.
I would point out to you that I think we can see the same thing and increasingly are saying the same thing with two-year colleges and degrees and apprenticeships and so forth. Four-year colleges are not the complete answer, that is for sure.

COMMISSIONER ACHTENBERG: No, they're not the complete answer, but we do need to increase in sheer numbers the number of successful graduates of four-year institutions, do we not?

MR. HASKINS: Yes, absolutely. We certainly do.

And not only that, we need to track them and to figure out what happens. That has been a problem for a long time, and we -- we don't have great information about what happens to students when they leave.

And so a number of institutions are creating the ability to follow students longitudinally to figure out if they get a job, what their wages are, and so forth. That is the kind of thing that you would have to do if you implemented the kind of suggestion I made about making some of the state aid to colleges contingent on their performance. We need to know what their performance is.

COMMISSIONER ACHTENBERG: Yeah, you --
you said as much as half of the aid --

MR. HASKINS: I --

COMMISSIONER ACHTENBERG: -- contingent on performance?

MR. HASKINS: I don't --

COMMISSIONER ACHTENBERG: Good, I am glad to know that --

MR. HASKINS: -- yeah, there is no scientific formula, it's just I think a substantial amount of aid.

I mean, how would you feel if the whole -- all of our spending at the federal level or the state level were based on no information about the results?

COMMISSIONER ACHTENBERG: No, I --

MR. HASKINS: And that is what we have been doing, so it does not make sense.

COMMISSIONER ACHTENBERG: Understood, I just wanted to know where the 50 percent came from.

MR. HASKINS: No, I made it up.

COMMISSIONER ACHTENBERG: It's somebody from the Brookings Institution says 50 percent, it gives one -- I thought, well, I guess --

CHAIR CASTRO: Hopefully it's not made up, yeah.

COMMISSIONER ACHTENBERG: -- 50 percent,
I'd hate for the Governor of California to get that information and think that he could change overnight from a system based on enrollment to a system -- a funding system based on -- at least overnight, I am not saying there should not be --

MR. HASKINS: Okay, but here is my point. It's not 50 percent, but here is the point.
Organizations that are being held accountable --

COMMISSIONER ACHTENBERG: Yes.

MR. HASKINS: -- don't like it, and so if they realize it's too late, they can't get out of it anymore, they've got to do something, they want 5 percent of the money, or 10 percent. It ought to be substantial.

We can start with 5 or 10, but we've got to build and make it more --

COMMISSIONER ACHTENBERG: Understood --

MR. HASKINS: -- accountable than --

COMMISSIONER ACHTENBERG: -- understood.

MR. HASKINS: -- it is now.

COMMISSIONER ACHTENBERG: And I don't think --

MR. HASKINS: That's why I used a figure like --
COMMISSIONER ACHTENBERG: I don't disagree with --

MR. HASKINS: -- that.

COMMISSIONER ACHTENBERG: -- you.

MR. HASKINS: Okay.

COMMISSIONER ACHTENBERG: I don't disagree with you.

MR. HASKINS: All right.

COMMISSIONER ACHTENBERG: Ms. Siqueiros, I know you are deeply familiar with the practices that work and the practices that don't work when it comes to -- you both are able to assess the performance gaps, and you have done a lot of work in terms of assessing what helps and what doesn't help.

Could you talk -- part of what we are struggling with here is is this an issue that can be addressed successfully? I think the answer to that is yes, but I would like to know what you think the answer is, and if you could delineate some practices that you have found through your research that are helpful in addressing these various forms of achievement gap.

MS. SIQUEIROS: Well, the first thing I would say is that that data matters, so Ron mentioned that we -- we do quite a bit of investing, and we don't know what the end result is, we don't analyze data in
a comprehensive way.

So I think what works are institutions that use data in very proactive ways to change results. You've heard earlier from Cal State Fullerton, and they're actually one of the colleges that we profiled because they have a really aggressive agenda around closing the gaps.

If you're not analyzing what's happening at your institution by race, then how are you ever going to figure out solutions for addressing them?

And so I -- I think they are a perfect example of innovation in that process.

We also profiled as we released the State of Higher Ed for Black Students in California the Minority Male Community College Collaborative, which is an effort launched by two professors at San Diego State University that focuses on actual -- using research on what works for African American students and helping to evaluate and assess community colleges to implement practices that can help support completion for institutions.

And they point out that a lot of the research is done in terms of what works for students at four-year universities, so I think you need really good data, you need leadership at institutions that
care about closing the gaps and are not afraid to talk about how they are going to close the gaps for students by race, and you absolutely need incentives that force them to do that, so you -- we know statewide that Cal State has the California Graduation Initiative that is about closing the gaps. I don't see how you change these results without doing that.

And there is obviously the K-12 role, you know, we have to make sure that more high schools are better preparing students, you know. Race matters because most of our Latino and black students in California attend low-performing schools.

It is not just a cultural, you know, phenomenon that Latino and black students don't go to college and graduate at higher levels. They go to the least, you know, best-performing schools where they have the least prepared teachers. You know, there are institutional factors that have to be addressed, and those can only be addressed through policy and funding.

CHAIR CASTRO: Commissioner Heriot?

COMMISSIONER HERIOT: Thank you, Mr. Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER HERIOT: I don't know if we under-invest in higher education in the absolute sense.
I mean, maybe we do, maybe we don't.

But I am really worried that we over-invest in higher education relative, you know, to other kinds of investment in human capital: vocational education of various sorts.

You know, not everybody wants to go to college. Many people prefer other kinds of -- of vocations, other kinds of learning. Not every subject is best taught in a classroom situation.

I am wondering if any of you have any comment on these other kinds of vocational education, other kinds of investment in human capital. Are we under-investing there?

MR. McCLUSKEY: I think that's really an excellent point, and I do think it's important that this can't just be about higher education. There is a whole lot that happens before that, and I think the K-12 part is important.

And if you look at a lot of other countries, they do have much more robust sort of vocational tracks than we do, so if you don't want to go to a school where you have to take, you know, a liberal arts core and then maybe you can get your engineering degree or something like that and you want to do something we consider vocational -- and that term, unfortunately, has
negative connotations -- but you can do that.

There is a danger, of course, with that, you know. If you think about Germany, for a long time, it was you took a test and you were tracked into that. We definitely don't want a system where your future is determined for you by a test.

We do want one where if you have an interest or ability to do something that takes you away from a traditional college, you should be able to do that, and we see a lot of that, you know, within school choice.

There are charter schools now, for instance, where you can learn everything right down to sort of underwater welding, which I don't have any experience with underwater welding, but I understand that it is pretty lucrative. You can get lots of very valuable skills, skills that can't be easily outsourced, through these other alternatives.

And there is something else important, I think, in your -- in your question, which is that we have a lot of money going into higher education that by all indications isn't translating into more learning. There's credential inflation, there's the arms race in amenities and buildings and things like that, so I think it is hard to make the argument that we need more money. Maybe we need it better targeted.
I think more important is we need to allow people to choose what they think is best for them, even before college.

MR. HASKINS: I agree with all that. We should place much more emphasis than we do now on non-four-year, not just two-year colleges, but all kinds of degree-granting programs.

This area brings up another very interesting topic, which is online work. There's a lot to be done online now and a lot now being done. People have qualified for various certificates based on online. This has a real impact on their debt that they carry away, and also the programs where you work and get practical experience at the same time, many of these programs start in high school.

Georgia and Wisconsin both have ideal programs that start kids in high school getting experience in work, and we have about something like 5,000 career academies across the country that do the same thing, and there is very good, high quality research that shows that those kids, the boys that were in those programs, 8 years later, they're followed 8 years, they made $2,000 more, and they're more than 20 percent more likely to live with their children and be married.
So these programs -- and oh, by the way, on the point of does it shut them out of four-year schools, the kids who were in the career academies had the same probability of going on to a four-year institution as kids who did not -- similar kids who did not participate in the program, so it doesn't necessarily shut them out, it doesn't close the door.

So these programs, yes, they need to be looked into, they should be a part of what the Commission focuses on, I believe.

COMMISSIONER HERIOT: Yeah, my fear is that, you know, I agree, we don't want to follow the German tracking system, that is not an American thing, but there are a lot of people out there who really are bored to death in the classroom and would much prefer jobs that -- that are -- are, you know, what we call sometimes disparagingly vocational education, but I can't see why that, you know, that bias should -- should be something we should cater to.

CHAIR CASTRO: I have a few questions here.

Ms. Siqueiros, you mentioned that, you know, race matters a lot in this context still and that there is an over-representation, I believe, of -- I think it might have been Latino students, or maybe it
was minority students, in for-profit schools. Could you clarify that for me?

MS. SIQUEIROS: Yeah, so -- so for black students in California, if you look at the chart in front of you, we analyze sort of the young adult sort of population, 18-25 year olds, and we see that they are over-represented in for-profit colleges for that age group and then under-represented at the four-year universities, slightly over-represented at community colleges.

We find that that is significant for black students in particular in our state attending for-profit colleges. We know that there's a regional issue, for example, in the Inland Empire where we have a growing population, and there's only a couple public universities, but if you drive down the 10 freeway heading east, you will see for-profit colleges up and down.

We know that some of the things for-profit colleges do in terms of pretty intense marketing and outreach and handholding are things that students who are first generation going to college need. I think in some ways they are looking for kind of a direct way to get trained into a particular job. They're given a particular guidepost for that.
And so those are some of the practices that community colleges, for example, don't have the resources to -- to necessarily do, but those are the things that work for students who don't have anybody else guiding them to a four-year university.

And we also see high numbers of Latino students at for-profit colleges too, so it is a common thing.

CHAIR CASTRO: And yesterday, during our panels, it was brought up that many of these for-profit schools end up with large amounts of students that end up not completing and end up with substantial debt, and that in fact, some of these schools actually target those students for the purpose of obtaining some of that financial aid, and some of them who may complete the work find that their -- their education is not what they thought it was, or they couldn't -- they can't transfer it over because the credentials aren't transferrable. Do you know anything about that?

MS. SIQUEIROS: Yeah, I mean, I think this is -- this is what is really disturbing.

You know, you have essentially for-profit colleges and universities, some of which are actually good performers, so I don't want to sort of make a blanket statement, but some of which really do target
enrollment because they are completely publicly funded, so the idea that they are private institutions is really concerning when they rely on -- on students that are low-income that will qualify for Pell, that will qualify for Cal Grants, that qualify for these federal subsidized loans or private loans.

And so if -- if -- I think there should be a federal expectation, if these institutions are receiving federal money, that they have some skin in the game, and if they are being funded entirely through federal and -- and state dollars, they don't have any skin in the game in terms of producing better outcomes for some students. We find that disturbing.

As a member of the California Student Aid Commission, we instituted, you know, the legislature and the governor passed new rules around limiting Cal Grants to institutions that had a high cohort, you know, loan default rate for their students, meant that a lot of their students had graduated or not, but were not able to pay their loans and had a very high -- or very low six-year graduation rate.

So there are mechanisms by which we can put minimum requirements. This was done in California in response to the recession and the fact that, you know, there are limited dollars and so you have to pick and
choose how you disburse them, but in actuality, it is
good practice, and it's why Corinthian in particular
has -- has been so affected, because many of those
colleges in our state were kicked out of receiving Cal
Grants.

Again, if they're -- if they're receiving
public dollars, and that is their only mechanism by
which they survive, we should be a little bit concerned.

CHAIR CASTRO: Yes, Ms. Neal.

MS. NEAL: I just want to add to that, I
certainly would agree that -- that all for-profits are
not superb, but I think it would be unfair to single
them out for single-digit graduation rates.

As I indicated in my testimony, we are
looking at many, many non-profits with single digit
graduation rates, and so the issue is one across the
board, and I think it would be wrong to -- to single
out one sector for that problem.

CHAIR CASTRO: Thank you.

MR. McCLUSKEY: Could I just add --

CHAIR CASTRO: Sure.

MR. McCLUSKEY: -- one quick thing on
that?

If you look at these different sectors,
there does seem to be a correlation between their
outcomes and who they are serving, and a lot of this appears to have a lot to do with the preparation of people who attend those schools before they ever get to college.

So there are plenty of atrocious for-profit schools, but like Anne said, if you look at community colleges, they have terrible outcomes, and there seems to be a connection between the preparation of the students who go there.

That's why this is also a K-12 problem to a very large extent, is where often through aid giving people money to go to college who may not really be prepared for it. You see this in huge remediation rates. People who are remediated are much less likely to finish.

So that is something that absolutely has to be focused on whenever we talk about higher ed, is what is going on at -- really from birth to high school graduation.

CHAIR CASTRO: Well to be sure, there's no perfect players in this entire system, but my recollection from yesterday's testimony was that in terms of students who have defaults on their loans, I think it is well over-represented, students coming from the for-profit universities, they go something like 47
percent of all the defaults if my memory serves correctly, so clearly there is something happening there as it relates to these funding issues that merits a little closer attention, but of course, not everyone should be painted with the same brush.

Ms. Siqueiros?

MS. SIQUEIROS: Well just in response, I don't disagree that preparation and K-12 matters, but colleges should be serving the students they have, not the ones they wish they had.

And so I think it gets to the question of if you have students that are coming in less prepared, what are you doing as an institution to better provide service to them? And we know that there are institutions and community colleges that are addressing remediation in a way that is very effective.

So -- so I just would push back a little bit that it -- it can't just be blame K-12. There is a responsibility for institutions as they serve students.

CHAIR CASTRO: Mr. Hoskins -- Haskins, I am sorry, of Brookings Institution, I had a question about one of the charts that you showed us. I think it was chart number 3 --

MR. HASKINS: Yes.
CHAIR CASTRO: -- which shows that Latino -- the Latino college attendance now exceeds the African American college attendance, and earlier today we had testimony from Professor Flores, who indicated that some of this may be just pure demographics, that is, the growing population of Latinos means that naturally there are going to be more that are represented in the pipeline to college, not necessarily that we have come up with a magic program that has somehow put more Latinos on the path to college.

Is that -- is -- do you have any opinion on that and how that may be represented in your chart?

MR. HASKINS: It could be true. I am not positive. But my charts are percentages, so I don't think it should be. It isn't just the numbers, it's the percentages --

CHAIR CASTRO: Okay.

MR. HASKINS: -- that's been coming up, the percent of enrollment, so that does indicate that all other things equal, Hispanics are in fact more likely -- their rate of increase in being in college is greater than for blacks.

CHAIR CASTRO: And do you know of any -- your opinion as to why that might be?

MR. HASKINS: I have opinions about it.
There's some research about it.

CHAIR CASTRO: Okay.

MR. HASKINS: I think family background makes a big difference. I think that quality of high school makes a big difference.

I think -- one thing that has happened in the Hispanic community, apparently, I especially talked to people in Chicago about this, and they've written about it, I could give you some references, and that is that there has been a change within the family.

Many Hispanic families, at least in Chicago and other places that I have heard of, don't necessarily pressure their kids to go to school. They want them to earn money and contribute to the family. They were actually a force that kept some kids from going to school, and that appears to be changing a lot. The parents come to realize how important college is. Of course, they want what is best for their kids.

So the views of parents are changing. I think that could be another factor that is contributing to this issue as well.

CHAIR CASTRO: Oh, I can attest to that. I am from Chicago, and I think it's something that was not just in Chicago, but a lot of immigrant Latino families in particular would encourage their children
when the family needed it to step out of school and help
the family, and we've I think in the Latino community
made an overwhelming effort to try to educate our
parents about that, but it's still a challenge, but I
think, you know, there's certainly more folks talking
about that issue.

MR. HASKINS: But I do think that is a
factor in why the percentage of Hispanics that are going
to college is increasing more rapidly than for blacks.

CHAIR CASTRO: Okay.

Madam Vice Chair, you have some questions?

VICE CHAIR TIMMONS-GOODSON: We were
talking just a -- thank you, Mr. Chair.

We were talking just a moment ago about
default rates and for-profit colleges and
universities. My recollection is that there are
certain limits or guidelines placed on our public
colleges and universities where, if they reach a
certain default rate, there are penalties attached to
a loss of government monies.

Are our for-profit colleges and
universities subject to the same default rates, the
same kind of penalties? I seem to recall that they are
not.

MS. SIQUEIROS: In California, the rules
do apply across the board. There is -- so in California, they do.

In -- in terms of federal policy, I am not quite sure --

VICE CHAIR TIMMONS-GOODSON: That's what I was inquiring about, federal policy.

MR. McCLUSKEY: I could be wrong, but I am pretty sure it is the same for all schools. They have been changing how they calculate the cohort default rate from when it was two years to three years, but I think it's the same regardless, as long as you're taking Title IV money.

Where there may be a difference, I would have to look, but there is a question about how you incorporate G.I. Bill money. That has not been counted in some ways toward for-profit schools. I don't think it's connected to the default rate, and if I am correct in that, then there is no difference, to my knowledge.

VICE CHAIR TIMMONS-GOODSON: Yes.

MS. NEAL: This doesn't go to the default rate, but I can say within the accreditation system, for-profits have been held to certain baseline requirements that the non-profits have not, so that at least in terms of certain basic requirements, it's a higher level of expectation of the for-profits in terms
of graduation rates and national outcomes than of non-profits, where it really has been up for the -- up for grabs as to what was acceptable and what was not.

In fact, accreditors have no baseline graduation rates, for instance, that mean yes you get money or yes you don't, though there are baselines for for-profits.

VICE CHAIR TIMMONS-GOODSON: Thank you.

CHAIR CASTRO: Commissioner Narasaki?

COMMISSIONER NARASAKI: Thank you.

So Mr. Haskins has testified that their recommendations of Brookings is to take TRIO and programs like that, to reform them and perhaps create a more general, flexible grant program to provide that kind of support, and I was wondering, Ms. Siqueiros, whether you also -- what's your response to that recommendation, I'm sorry?

MS. SIQUEIROS: So quite frankly, I haven't analyzed a lot of those programs myself.

My concern with that recommendation would be that in many instances, it is those programs that have really high graduation rates for under-represented students, and so I -- I think just more research would be needed before I could feel comfortable.
I do think that we have to get to a place where resources reach more students. Some of the challenges are that those programs only reach a small number of students, and we need to get to a place, as we have a student body that actually -- where the majority now is first generation, all of the students could benefit from those kinds of services that Puente or TRIO or MESA provide, is how do we scale that kind of intervention?

And we know that there's limits, right? Especially some of the programs are really high touch, they are, you know, you can only do with a small cohort of 50 people in order to be effective.

I think one of the things that Provost Cruz at Cal State Fullerton said is that what they do is use the data to identify the programs that are very effective at closing gaps and serving students and that can be scalable, and I think that is the direction we need to move in, because there may be some of those programs that are effective, but they're not scalable, but we do need a scale. We need more of the students to be able to access some of the benefits that these programs provide.

COMMISSIONER NARASAKI: So I just have one more question --
CHAIR CASTRO: Sure, go ahead.

COMMISSIONER N Narasaki: So --

MR. HASKINS: Could I clarify one thing please?

CHAIR CASTRO: Sure.

COMMISSIONER NARASAKI: Did I mischaracterize what you wrote?

MR. HASKINS: No, no.

COMMISSIONER NARASAKI: Okay.

MR. HASKINS: It's not a Brookings recommendation.

COMMISSIONER NARASAKI: Oh, sorry.

MR. HASKINS: It's my own recommendation based on research.

COMMISSIONER NARASAKI: Okay.

MR. HASKINS: Okay.

COMMISSIONER NARASAKI: Thank you.

So the other question I have is that I --

I got the impression from the most recent testimony from this panel, at least some people believe that we're spending enough on higher education support.

Ms. Siqueiros, you testify in your written testimony that we at least need to consider spending more on Cal Grants and making them more available throughout the year to help people who go to summer
school, and, you know, are sort of the more non-traditional students.

I am wondering what your view is about whether we're actually spending enough on financial aid, and where you would put it if we were to try to either reorganize what we're spending or try to spend more.

MS. SIQUEIROS: Yeah, that's a really -- a really tough question.

I don't believe we're spending enough. I mean, the research is -- is pretty clear that -- that the Pell Grant, while it has obviously grown in size and in terms of cost for the federal government because our population growth has increased has not kept pace with the cost of getting a college education.

The research indicates that, you know, it's harder today for low-income students to go to school full-time. When they do go to school, many of them have to work. So making summer Pell available again would obviously better support those resources.

In California, it's clear we're not spending enough on higher education. You know, there is a huge wage premium for folks today that's very different from what it was in the 60s or 70s when a lot of these programs were instituted, so before, you could
get a high school, you know, degree, and that was enough
to put you into middle class life and -- and get a job
that you could sustain over a career, it could afford
you a house.

That is simply not the case today. We know
that whether it's a vocational degree or a four-year
degree, that's what makes the difference in students'
abilities today to get into the middle class.

And so if we care about sort of growing our,
you know, middle class, I don't see how you can do it
without investing more, especially in getting more
low-income students to be able to afford to go to
college full-time.

I don't know what the magic number is. I
think making Pell year-round is a good first step,
simplifying FAFSA so that more eligible students
actually apply and get the financial aid they're
already entitled to is a second step. Those would be,
you know, the more immediate recommendations.

COMMISSIONER NARASAKI: All right, and I
-- I had one more add-on to that.

So Mr. Haskins' slides show that there is
-- there is actually a decrease in work study, if I read
the slide correctly, so I am wondering if that is a
concern, that we are actually spending less on work
A prior panel had noted that they felt that -- the Chancellor noted that he felt one of the most important things was to address the fact that we don't have the traditional old-fashioned kids, 18 years old, just out of high school, going to college, but now we have older students with families who do need to work, and so one of the biggest challenges for successful getting to a degree is can you stay in college if you're working full-time, even if you're getting your tuition taken care of?

MS. SIQUEIROS: Yeah, I think work study is really critical.

You know, the research indicates that the longer a student is on a campus, the more likely they're -- they're going to feel like they belong, the more likely they're going to succeed and get to graduation, and work study helps to do that.

I think part of it is certainly federal funding. The other part is Northeastern University is a good example of a public/private partnership where they actually have students that start working because they're going to work, so they're going to school part-time and they are working part-time, in their chosen field.
So it's not like having a job at The Gap, it's having a job, you know, as an intern in an engineering company where that company actually covers some of the cost.

So I would just say that, you know, it may absolutely be increasing federal funding, but also, how do we increase, you know, public/private partnerships that want, you know, good quality interns that they can then potentially grow in their leadership and address the fact that the students do need to work? So is it better to have them working in their field or working on campus? Yes.

COMMISSIONER NARASAKI: Thank you.

CHAIR CASTRO: Commissioner Kirsanow?

COMMISSIONER KIRSANOW: Thank you Mr. Chairman, thanks to all the panelists, this has been very informative, as have the other panels.

A couple of questions. We've been talking a lot about funding throughout all the panels, and as I mentioned in the previous panel, I was troubled by a number of slides I saw that showed that we're spending trillions of dollars, we have spent trillions of dollars, with marginal effect.

As I mentioned before, I'm particularly troubled by over 30 -- sorry, a 23-year period, the gap
between black and white achievement has only narrowed by 2 points. There could be a lot of reasons for that, but I would hope that if you spend several hundred billion dollars trying to narrow the gap, we'd narrow it more than 2 points, and that we would have to wait actually more than 300 years for that gap to completely erase if we go by today's measurements, it would take more than 300 years.

I'm fine, because it's not my money, at least -- at least not directly, if we want to spend more money on something, but I'd hope we would do so smartly. I am -- I was struck by the fact that there are really no measurements, no transparency, no accountability standards, and yet we're going to give more money to demonstrably failed programs, because it's not doing anything. Maybe happy talk, but it doesn't seem to be closing any gaps.

If you were to suggest a policy prescription for narrowing achievement gaps, increasing college access persistence and obtainability, would it be to (a), increase funding, or increase transparency, or accountability standards? Which one of those is the most effective, of those three?

CHAIR CASTRO: Do you have all of the above
as well as a choice, Commissioner?

COMMISSIONER KIRSANOW: Well, you know, given the fact that money is something, and we're talking about money, and I know we've got all kinds of money, but it's the Chinese government's money, frankly, it's not our money. We don't have any money.

So I would like to know how do we get this stuff done the smartest way. I am interested in outcomes more than inputs at this particular point.

Yes, Ms. Neal.

MS. NEAL: Yeah, I want to certainly agree with you on that, because as I indicated earlier, we're spending two times per student the average of any other industrialized country with worse results.

I mean, we're looking at four-year graduation rates that now hover around 40 percent, and so I think rather than just looking at this as a -- a problem that needs more federal dollars thrown at it, we really need to be looking at ways of holding the institutions accountable. We have heard more skin in the game. I think that's an important issue. These institutions need to have more skin in the game, and we need to basically credit those that are succeeding and not credit those that are not, but as I have indicated, students will not know the difference
between a school that is doing well and having student learning gains and schools that aren't having learning gains, and I think this is where we need to improve the existing accreditation system, which essentially rewards schools no matter how they do.

If they're doing 90 percent graduation versus 5 percent, it doesn't matter, they still get Title IV, so this is why I think we need to move to a -- a basically -- a transparency system, which would allow institutions to show they are financially stable, would require them to show certain key metrics of performance, and last but not least, would insist that in order to get Title IV money, they would have to show student learning gains.

Because at the end of the day, it's not simply a question of giving someone a degree or giving them a piece of paper, it's actually showing that students have gained value with the money that they have spent, and study after study, whether we look at Academically Adrift by Arum and Roksa or -- or the National Assessment of Adult Literacy, we are showing that vast percentages of college graduates are emerging after spending lots of money, many of them in debt, without the skills that are needed to be effective in the workplace.
So the system is -- is skewed in favor of access and not in favor of student success once they are there.

CHAIR CASTRO: Mr. Haskins.

MR. HASKINS: I agree with everything she said, and she didn't exactly say this, but accountability I think is key.

We're going to have problems with money. I mean, we haven't talked about it here, but I do a lot of work on federal debt and deficit, and the day has come when we've already started cutting spending on children's programs in the last two years, which we had not done for the previous 30 years, so there is a real issue of how much money the federal government is going to be able to spend.

And the states are, if anything, even more financially strapped.

So what we have to learn to do is to do better with what we have now, and accountability is definitely the answer. So we need accountability in K-12 schools, we need accountability in community colleges, we need accountability at the university.

And two of the three recommendations I made you were basically accountability recommendations. I -- I think it's very important that we spend about a
billion dollars now, for example, on these college prep programs that are supposed to be focused on low-income kids, and there are very good research studies that show they produce modest or no impacts, with some exceptions.

So why wouldn't we make it more demanding, force them to evaluate, that's a condition of their getting the money, they have to do good studies to show that they're producing impacts, and if they're not, give the money to somebody else? That should be a principle of federal funding.

COMMISSIONER KIRSANOW: What should -- what should be the metrics in that evaluation, in that accountability? Would it be not just a diploma, but say five-year income rates or something, looking at a longitudinal study of what does that person do with that particular diploma?

MR. HASKINS: Right, I think a high school graduation would be the least desirable, but nonetheless a good measure. College entry is a good measure. College completion is a much better measure. And did they get a job when they graduated, and what is their wage would be the best of all.

MR. McCULSKEY: I'm going to first of all say that funding is absolutely not the answer. More
funding is not the answer. We spend more on education, all levels, than almost any other country: there's Luxembourg, one or two others.

In higher ed, we spend more than any other country. What we've seen this funding translate into is largely a lot of waste. I mean, if you look at -- I know it's cherry picking to say look at the water parks that are springing up in colleges and universities, many of these public colleges and universities.

There's a reason for that. What we've seen is evidence, research evidence, which shows that what most people do when they are choosing between colleges now is they don't choose based on academics, they choose based on amenities.

A lot of this is because we're using third-party funding to pay for it. Partially it's grants. I think it's much bigger a problem of loans, and that loans you get very easily in any amount from the federal government, and so -- and the same at the K-12 level, is we spend a lot of money, and we haven't seen any real correlation in improving outcomes as a result of it.

I am -- I always worry about accountability because accountability sounds good, but you -- we need to look at something like what we've seen with No Child
Left Behind, which was supposed to be about accountability.

What we found, though, is that people who would be held accountable are pretty good at finding the ways out of being held accountable, so No Child Left Behind said well you're going to have all kids proficient by 2014, and what did states do? In most cases, they had a definition of proficiency which was incredibly low.

And so we have to be realistic about how much the -- an accountability system might -- might --

COMMISSIONER KIRSANOW: You really can't fudge -- or maybe you can, you can fudge anything.

As Mr. Haskins was talking about, if you look at five years out from the period of time when somebody graduates, if he has got a job making $50,000 a year, you know that that's a metric you can look to as opposed to somebody, say another college, well, only 30 percent of their students five years out have a job of $50,000 a year or more.

MR. McCLUSKEY: But I can already tell you one problem with that.

So then you have to adjust for what the situation of those people when they went to those schools because there will be schools that deal with
kids who are -- or students who are less well-prepared.

Then we put into the law, well, okay, if you're less -- your students are less well-prepared, you don't have to earn as much. Then you start to see all sorts of loopholes and things working their way into regulations.

So that's what we have seen repeatedly when we talk about accountability.

COMMISSIONER KIRSANOW: With some transparency, some transparency, would that assist in terms of if you provide students, parents, with all the information you possibly can, a number of metrics, that would establish -- there is no perfect metric, right? And you can fudge almost anything. But if you've got a number of metrics, give them a lot of information about which institution do you want to go to?

Inject some competitiveness into the process so college A competes against college B for the same student, knows, I've got to be better than these guys.

MR. McCLUSKEY: Yeah, well, and I think that, you know, intuitively, that would work.

The problem is we actually see lots of data is already available for colleges. Nobody likes the U.S. News & World Report evaluations, but they actually
do tell you stuff like graduation rates and cost-per-student and things like that, but federal government has had the College Navigator now for several years, and what we've seen is that people tend to not use a lot of the information we make available.

I think part of that problem is we want to do good with aid, but part of what aid does is say make this decision, we will pay for your decision, and it's not necessarily your money or money you have right now that is part of that.

I actually think part of the solution is counter-intuitive, but actually people selecting schools need to have more of their own money involved rather than third-party funding because that incentivizes making more disciplined decisions, and that -- that's actual accountability, and especially when people, you know, are using their own money, and then they hold a school accountable when that school is not giving them what they want.

CHAIR CASTRO: Okay, I am going to move on, Commissioner Kirsanow, I've got three other Commissioners who want to ask questions, and we're getting close to the end.

So Commissioner Kladney followed by Commissioner Achtenberg and then the Vice Chair.
COMMISSIONER Kladney: Thank you, Mr. Chairman.

Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER Kladney: I think it seems from all the testimony we've heard that everyone has a different dog in the fight here, although focused toward the same solution.

And it seems to me that all these different schools, colleges, community colleges, we've even talked a little bit about K-12, all have issues, but do they have the same issues, or are they all different issues, for accomplishing a goal of getting more students, minority students, through higher education?

I'd like to hear some priorities, some programs that you propose, and whether you believe that to be a correct statement, that different schools face different problems, and how are we going to evaluate them, like Commissioner Kirsanow spoke about?

And -- and -- excuse me. How -- I mean, it seems like a very sprawling problem here, very unwieldy situation from all the testimony, so I was wondering if you could give some commentary, you know, focused on -- on the solutions besides just accountability. I mean, how do you go about that?

CHAIR CASTRO: Ms. Neal?
MS. NEAL: Going back again to my suggestion that we allow Title IV money to flow to schools that are showing that they are having success with students by showing student learning gains.

Why is this a good solution? Because, I mean, it's not a one-size-fits-all sort of exam. In other words, these national norm tests such as CAP or Proficiency Profile take the students where they are and determine whether or not they are at or above predicted learning gains for those cohorts, so it is a wonderful way for a school to be able to establish that it is doing a very good job with certain parts -- certain demographics in the population.

So I think we do need to go to a system that is going to reward and showcase institutions that are transparent in terms of their financial stability, what they're able to do, and the fact that they are actually providing value to students, because if the students are leaving with student learning gains, that presumably is going to be a helpful predictor that they will succeed once they get out of -- out of the institution.

CHAIR CASTRO: Anyone else?

COMMISSIONER KLANDNEY: So the schools would compete individually to show these different
gains, and then you go about it in different ways?

MS. NEAL: Well, what I am proposing is that we move away from the accreditation system, which is very opaque, and basically which has money flowing to every institution regardless of its performance, because as I indicated, we're seeing single-digit graduation rates at schools that are still receiving Title IV funding.

What I would like to see is a system where Title IV flows directly to institutions that show that they are providing education to students and that the students are graduating at or above predicted learning gains after they have attended these institutions. This way, we are able to highlight schools that are successful at whatever price, and we're able to show those who are affected, the students who are looking to find schools that are doing well with their particular cohorts, that they will be able now to have data enough to make an informed decision, which they can't make under the current system.

CHAIR CASTRO: Anyone else on the panel?

MR. HASKINS: I just -- I would like to endorse the idea and defend the idea that we have to measure what we want to do.

Process measures are almost always in the
stake. We need to specify the outcomes that we want and then pay for those. That has to at least be part of an accountability system.

And we can measure these things. We have all kinds of good statistical techniques to adjust for where the students started. So it doesn't throw the whole system off just because some school specializes in kids who graduated in the top third of their class, and another school specializes in kids who may be around the middle or a little below the middle, we can adjust statistically for that, we can compare institutions that have those kind of rates, and that there are -- plenty would be based on starting with low-income kids.

There are lots of things we can do. Accountability has got to be part of the system, and it has to be based on outcomes, not processes.

MR. McCLUSKEY: Just I guess my job is to throw a wrench in ideas.

You still have problems, though. Think about -- you know, we talked about controlling for who -- who your student population is. When you get to college, you also run into very big problems: what is it you want to measure? Do you measure what every student knows when they leave that college? Do you measure it by the program that they are in, so you have
some set exam for all engineering students, for all
English majors, for all accounting majors?

Is it supposed to be a measure like we have
seen particularly used in critical thinking? What
does it mean to be critical thinking?

I say these things to point out that it --
using the term "accountability" is certainly
intuitively, you know, it's something we want to have,
we want to have accountability, but we've seen
repeatedly that actually operationalizing
accountability becomes a very difficult thing because
we're talking about very fine-grained decisions,
ultimately, that are made by lots of individuals.

MR. HASKINS: It is a fine-grained thing.
There are problems. But we're getting better all the
time. If we continue doing it, we'll get better and
better.

And where are we without accountability?
That's the counter-question.

COMMISSIONER KLADNEY: Well, how will --
how will the colleges and universities accept your form
of accountability?

MR. HASKINS: If you control the purse
strings, you can make them dance to your tune. The
federal government certainly has a right, and so do the
state governments, to say if you want our money, you have to meet these -- these criteria. That's not very difficult. The government does that all the time.

CHAIR CASTRO: Ms. Neal, you wanted to say something?

MS. NEAL: Well yes, I agree that we shouldn't let the perfect be the enemy of the good. We also might take some examples from what's happening in the states, and I don't know the details to a great deal, but I believe in Wyoming and in Massachusetts they have a setup where students take a particular test, and based on how they are assessed in terms of college readiness, it will give them access to a community college, it will give them access to a four-year, so that it is actually calibrated in a more nuanced system so that if someone needs, for example, more remediation, that student then gets state aid to go into the community college, which is a much cheaper way to deliver remediation, and then ultimately can succeed there and move into the four-year.

So it is a graded system that's designed to take students where they are, not push them ahead to a four-year school for instance when they are not college-ready, but to give them access to college post-secondary education at a level where they can more
likely succeed and then continue to move up if they do so.

CHAIR CASTRO: I'm going to move on to Commissioner Achtenberg, and then the Vice Chair.

COMMISSIONER ACHTENBERG: I'd like to take us back to where we started.

If the achievement of the baccalaureate degree from a -- an accredited university is the goal -- is one of the goals, I am not saying certificates that lead to middle-income jobs and the resurgence in advanced manufacturing that we also want to be promoting, and all -- there's a lot of other good things going on, and technical training of all kinds could make us more -- could make students, some students who choose to pursue that much more employable, with skills that are translatable and career paths that are pursuable, and all that is absolutely true, and this is not meant to suggest everyone should go to college or only the four-year degree is the only thing we need to be focused on.

It happens to be what this hearing is focused on, and trying to figure out whether or not the federal investment that is being made could be made better by focusing on practices that work in institutions that have shown by virtue of enrollment,
persistence, and current graduation rates that they have an inclination, some level of expertise, and a commitment to graduating students in general, and specifically, to addressing some of the gaps in attainment that we see in particular communities, which of course that being the particular issue of concern to the United States Commission on Civil Rights.

So having said that, all of these other things are of concern, and, you know, certainly are truly the case, with regard to that particular issue, if there were to be reformulation, reallocation of existing dollars to some extent, so we're not talking about more money, let's just talk about how we might spend the current assessment better to achieve the outcome of more baccalaureate degrees in general. As you said, we need that. And we also need more achievement in underachieving communities.

We need both those things, so that's my proposition. To the extent that we need both those things, and we have the opportunity to reallocate existing dollars, Mr. Haskins and then Ms. Siqueiros, what would you focus those dollars on?

You've said we have accountability, and I -- I don't disagree that we shouldn't be paying for things we're not getting, or conversely, we want to pay
-- we'd even be willing to pay more if we were getting
the thing that we wanted, right?

I mean, so accountability is extremely
important. Focusing on outcomes, I agree with that as
well. Not so much inputs, but who is achieving the goal
here? What other things might that money be focused
on to get better outcomes?

MR. HASKINS: Yeah, I -- I have a very
simple answer. It's already been given, and one of my
recommendations was that states should base more of the
money that they give to schools on performance, and
performance should be graduation rates and employment
and wages. Those are the main outcomes that we're
looking for.

And the system would be skewed so that if
you could do that, achieve those ends: graduation
rates, employment, and wages, with kids from low-income
families, that you would get some kind of extra credit,
you would get extra money of some sort.

That's the way I would do it.

COMMISSIONER ACHTENBERG: Thank you.

Ms. Siqueiros?

MS. SIQUEIROS: I think the answer to your
question is yes, the federal investment in higher
education in this country can help address these issues
of either producing more graduates, if that's a defined goal -- you know, the investment has multiple goals, right? So I think probably the first step is do we get commonality around -- do we have a common goal that increasing baccalaureate attainment is important, that closing the gaps and not doing it in 300 years is important amongst our diverse populations, and ensuring that everyone, regardless of income status, has access to a higher education is important?

If the answer to those three questions is yes, then the investments could be targeted in a way that we ask the next question, which is how do we scale?

Because we could invest and continue to invest a lot of resources in private institutions that have, you know, good results but aren't necessarily scalable, or we could focus more of our resources on comprehensive universities that will have greater scale in terms of producing graduates that we need, and going back to your question, Commissioner, around what's most important, I think all three of those things are important, but certainly having transparency so you can have accountability around the outcomes that you want with your resources is clearly important.

And I would just add to what Mr. Haskins has said, is that you do have to be thoughtful about
what that accountability looks like, but I don't think that it's too much to say that every institution that gets federal resources should be demanded to improve their graduation rates and close their gaps at their institutions, and do a better job than they did the year before.

But until we articulate that as a goal and hold the purse string to achieve that, I am not sure that that is going to happen.

CHAIR CASTRO: Thank you.

Madam Vice Chair, you have the last question?

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

This is for Mr. McCluskey and Mr. Haskins. I have been following the arguments that we've been hearing regarding outcomes and accountability, and at one point, Mr. McCluskey, it seemed that you were saying that you would measure success by graduation, jobs, wages, and then you went on to put a value, I think you threw out $50,000, in terms of income.

And I guess what I found myself thinking is that when we're talking about educating and an educated citizenry, must we put an income, a wage value on it? Understanding, of course, that there are many
occupations and roles and services that our states and our federal government needs that there's just not a -- a real big value, income, placed on them.

You weren't saying that there is not success if you fail to make after attending college and graduating x number of dollars, were you?

MR. McCLUSKEY: I don't think it was --

CHAIR CASTRO: Your microphone?

MR. McCLUSKEY: I don't think I was the one who said it, I was the one who was saying there should be no measures because I don't want accountability, which is not the thing, I do want accountability.

(Laughter.)

But it actually does bring up an important point, so a lot of what we talk about are the outcomes, and we're not actually -- there doesn't seem to be agreement about what the outcomes should be. Should it be graduation rates? Should it be what you earn as you get older?

But one of the things that concerns me is in the State of Florida, a year or two ago, the governor said, you know, should we really be spending money to produce anthropologists?

VICE CHAIR TIMMONS-GOODSON: And that's the reason I ask that question, because that same
argument has been made by some of our leaders in the State of North Carolina. We have put, is a liberal arts education worth anything?

MR. McCLUSKEY: And that concerns me because I don't think that a lot of education is something that you necessarily monetize.

But I am very sympathetic to the huge concern that we spend a -- a gigantic amount of money on higher education. We don't seem to be getting anything like commensurate outcomes.

But this is why I think, and this becomes counter-intuitive, a lot of the problem is we have a lot of money that comes from somebody other than the student when they consume education, so they may decide I'll study anthropology for four years because it doesn't seem to be costing me anything, and maybe I just want to do four years of college.

So there is a balance there, but I absolutely don't want to go to a system where you essentially have a bureaucracy say if you don't earn $50,000 within three years of graduating, then there was something wrong with your education.

MS. SIQUEIROS: Can I just add a quick point?

You know, I -- I am all for institutions
and students having skin in the game, but one could make
the opposite argument, that high-income students don't
have any skin in the game when their parents fund their
college education, and I don't think anybody would
object to having parents fund their kids' college
education.

So I think we need to be careful that we're
not putting additional barriers for low-income folks
that really shouldn't have to put anything in because
if your family is barely surviving on $16,000 a year,
why should you have to put anything into your college
education?

CHAIR CASTRO: Okay, well that concludes
this panel. Thank you, everyone. We appreciate it.

We're going to now take a few minute break
until 2:45, and then we'll come back on the record with
the final panel of the day. Thank you.

(Whereupon, the briefing went off the
record at 2:32 p.m. and resumed at 2:45 p.m.)

PANEL IV

CHAIR CASTRO: Okay, it's 2:45, and we're
going to bring back on the record our briefing for the
fourth and final panel of the -- not only of the day,
but of the briefing.

Before I swear you all in, for the purposes
of identification, I'll introduce you all.

I think most of you were also here earlier, but just in case, you each have seven minutes to speak. A system of warning lights will guide you: green go, yellow you've got two minutes to wrap up, and red we will then begin to ask you some questions.

So our first panelist this afternoon is Ms. Megan McClean with the National Association of Student Financial Aid Administrators.

Our second panelist is Dr. Richard Vedder with the Center for College Affordability and Productivity.

And our third panelist is Ms. Elizabeth Baylor with the Center for American Progress.

Actually, Mr. Goode is not here yet, so we'll continue when he arrives, we'll introduce him.

I want to ask the panelists to raise their right hands and swear and affirm that to the best of your knowledge and belief, the information that you're about to provide to us is true and accurate. Is that correct?

(Chorus of affirmative responses.)

CHAIR CASTRO: All right. Ms. McClean, you have the floor.

MS. McCLEAN: Great, thank you.
Good afternoon to the members of the Commission.

CHAIR CASTRO: Your microphone? You need to press the --

MS. McCLEAN: Okay --

CHAIR CASTRO: -- button there, thanks --

MS. McCLEAN: -- thank you.

CHAIR CASTRO: I should've mentioned that, I am sorry.

MS. McCLEAN: We'll try again.

Good afternoon, and thank you for inviting me to speak today on behalf of the National Association of Student Financial Aid Administrators, or NASFAA. NASFAA represents more than 3,000 public and private universities and trade schools across our nation. Collectively, NASFAA members serve 90 percent of all federal student aid recipients.

Focusing specifically on the Title IV federal student financial aid programs, a central tenet of NASFAA's mission is to advocate for public policies that increase student access and success in post-secondary education, particularly for low-income students.

We know that financial aid has an impact on access and persistence, as just under 75 percent of
Pell Grant recipients in the 2012-2013 academic award year had a family income of less than $30,000. We also know that we need to do a better job of enrolling and supporting traditionally under-represented students, as they continue to represent a small portion of enrollment compared to white students in baccalaureate-granting institutions.

Knowing this context, we should be considering improvements to the federal financial aid programs with an eye toward how they may best serve the students who are most at risk.

In the short time I have with you today, I will share with you some policy concerns and recommendations related to two different areas of the federal student aid programs: first, the federal Pell Grant Program, and second, the federal campus-based aid programs.

The Pell Grant Program is widely known, as many of you know, as the cornerstone of the federal student aid programs. Today, though, there is a need to examine the Pell Grant Program with an eye toward making sure the program is meeting its original and intended goal.

For example, according to the Pell Institute, in its first full award year, 1976-1977, the
maximum grant was $1400, which covered approximately 72 percent of the cost of attendance at a four-year public institution.

Starkly, the maximum Pell Grant for this current academic award year is $5,730, representing only 36 percent of the cost of attendance at a four-year institution. The decrease in purchasing power is dramatic.

Although the program has seen increases over the past several years for which we are grateful, covering only 36 percent of the cost of attendance at a four-year public institution no longer provides access to a four-year post-secondary education for our lowest-income students.

While the program generally provides adequate funding for a community college, we should be focused on how to make direct access to four-year institutions an option for qualified low-income students. Without this option for these students, we are hindering opportunity, economic mobility and growth, and our nation's national competitiveness.

In addition to recommending more funding for the program, we also recommend making the Pell Grant Program more flexible, particularly for non-traditional learners.
The legislation and regulation currently
governing the Pell Grant Program are very much geared
toward the student entering college at 18 years of age
at a traditional four-year brick-and-mortar school and
program.

We know that many low-income students do
not fit this traditional mold. For example, some don't
start right after high school, some begin or return as
adult learners, and some are not able to enroll
continuously due to financial or family obligations.

NASFAA has a series of recommendations
that would make the Pell Grant Program more flexible
and thereby increase access and success for low-income
students, and I will briefly outline two of them.

The first one is called the Pell Well. This pot of funds, or Pell Well, would be available for
students to draw down from as needed until the student
either completes the academic program or runs out of
Pell funds rather than allotting a certain amount of
Pell dollars for each award year.

For example, under the current structure,
a student attending a college continuously through the
fall, spring, and summer semesters would temporarily
run out of Pell funds at a certain point because there
are only so many Pell dollars allowed per award year.
In that so-called gap semester before their Pell eligibility resumes, the student is faced with turning to student loans, attempting to work and attend school simultaneously, or perhaps even drop out.

A Pell Well would help to mitigate some of these negative consequences.

The second proposal is providing a federal Pell Promise. A Pell Promise would act as an early commitment program for the Pell Grant Program. The Pell Promise would teach students as early as ninth grade about Pell Grants by notifying them of how much Pell Grant funding they will be able to receive in the future and a guarantee of that amount, if they complete high school successfully.

We believe strongly that making the Pell Grant Program more flexible and continuing to advocate for increased funding will help this country move the needle on access and success for low-income and at-risk students.

I will now talk about the federal campus-based programs, which are a critical piece of student financial aid and include the Federal Supplemental Educational Opportunity Grant, Federal Work Study, and the Federal Perkins Loan Program.

All need-based, these programs are deemed
campus-based because even though they are federal funds, the funds are allocated directly to participating institutions based on a formula, and the institutions then determine using federal guidelines which of their students receive the funds as well as those award amounts.

The formula, the place where many believe that the inequity exists, is based on two principles: first, the fair share portion of the formula, which primarily calculates the amount of funds an institution receives based on the relative need of their students, and second, a base guarantee that ensures that participating institutions receive at least as much as received in prior years.

As a result of the latter, a portion of the funding is dedicated to maintaining traditional funding levels at specific institutions. It does not necessarily reflect the national need.

This has the effect of some institutions receiving higher allocations simply because they have been in the program longer.

This funding pattern does not reflect growth or shifts amongst students or across institutions, creating a situation where under-resource institutions often have fewer access to
those dollars than institutions that have more resources.

Consequently, NASFAA has made the following recommendation to change the way that the funds in the campus-based program are allocated to institutions so that they will become more targeted to low-income, needy schools and students.

We propose an elimination of the base guarantee and that we rely solely on a fair share funding model. This would eliminate the current model that is based in part on historical allocation and introduce more fairness into the program by basing the allocation on the institutional need instead.

In closing, I want to thank you for the opportunity to discuss some of these programs and challenges that exist, particularly for low-income students. We are happy to provide additional information and of course to work with the Commission in the future. Thank you.

CHAIR CASTRO: Thank you.

Mr. Vedder?

MR. VEDDER: Yes, thank you.

CHAIR CASTRO: There you go.

MR. VEDDER: Yeah, I am technologically inept, I only have a PhD.
This oral presentation is expanded somewhat in an accompanied written statement. It is conventional wisdom that greater participation in higher education is necessary for social economic achievement and achievement of the American Dream, and it's true that on average, Americans with four-year degrees earn dramatically more than those with a high school education, and that the college earning differential is a good deal larger today than it was at the time that the Civil Rights Act of 1964 passed.

That said, however, my message today is that a higher education is no panacea for eliminating disparities in income and wealth between individuals based on group characteristics such as race and gender.

A fervent drive to increase educational attainment among minority groups will likely lead to disappointment, as, in some sense, it already has.

Let us look at African Americans. In 1970, for every 100 whites enrolled in American colleges, there were 11 blacks. By 2013, there were 25, a dramatic growth in educational access by African Americans.

Yet the narrowing of income differentials between blacks and whites has been very modest. For example, black household income rose by 2-5 percentage
points relative to whites from 1980 to 2013, depending on the statistic used, for maybe 60 percent to 65 percent, for example, eliminating 10 or 12 percent of the differential.

The fact remains that increased educational attainment among blacks has succeeded in eradicating only a very small proportion of racial income differentials, and the future prospects of doing so in the future do not appear to be particularly good.

And the question is why is this so? And first of all, the evidence is clear that the proportion of important minority groups like African Americans and Hispanics entering college that actually graduate within six years is below the already abysmal national average of about 60 percent.

Schools under pressure to admit minorities often accept students with low prospects for success. Special remediation education programs have had relatively low success rates. We have many urban universities with high minority participation where far more students drop out than graduate within six years.

A contributing factor, no doubt, is the generally inferior quality of the inner city public secondary education, leading to students being
admitted to college who are at best marginally qualified. Colleges brag about high minority enrollments but often are guilty of luring students with very low realistic probabilities of success. They gain bragging rights and tuition revenues but leave many students deep in debt with no degree or high-paying job.

Second, merely graduating from college provides no assurance of a good future income. Growing evidence shows that a large proportion of recent college graduates are underemployed performing jobs where a majority of jobholders have high school diplomas.

Arum and Roksa in Aspiring Adults Adrift found that one-fourth of college graduates are living with their parents two years after graduation, and a majority still receive some financial support from their parents.

Moreover, as the proportion of adult Americans with bachelor's degrees or more approaches one-third, the mere receipt of a degree no longer necessarily indicates a person with above-average skills and abilities. Employers are becoming more particular. The high college earnings premiums still applies to the graduates of the elite, mostly private
schools who get good managerial, technical, and professional jobs, but those earning premiums are far less to graduates of schools of lesser reputation, schools where minority representation is historically very high.

Moreover, earnings of college graduates vary considerably with a major field of study. Some minorities disproportionately major in fields whose graduates have relatively low post-graduate earnings, so too many students are unaware of the risks associated with college attendance.

I think the law of unintended consequences has operated as an outgrowth of public policies and ways that have hurt low-income persons with minority status.

For example, the Griggs v. Duke Power Supreme Court case emanating from the '64 Civil Rights Act unintentionally increased the value of college diplomas by reducing the ability of firms to use alternative ways of certifying worker competency, thereby allowing colleges to raise fees more aggressively, as did the various federal student financial programs emanating out of the Higher Education Act of 1965.

The FAFSA form, the hated FAFSA form, enacted to help disburse financial aid, has
disproportionately turned off minority group members bewildered by the form's complexity. I worry that on balance, burdening the -- we are on balance burdening African Americans and Hispanics by overselling the gains and understating the risks associated with going to college.

    Colleges should have skin in the game, sharing in the adverse financial consequences associated with college dropouts falling to delinquency on a large amount of college debt.

    Noble intentions were behind the Civil Rights Act of the 1960s, and arguably, some real gains have occurred. For example, with respect to gender equity, it is men, not women, who are now very significantly under-represented in colleges.

    But putting aside past accomplishments, an honest appraisal suggests to me that an unrealistic promotion of college participation may now do minorities more harm than good.

    Thank you very much.

    CHAIR CASTRO: Ms. Baylor?

    MS. BAYLOR: Thank you, members of the Commission, for inviting me to be part of this discussion.

    I am the Associate Director of
Post-Secondary Education Policy at Center for American Progress --

CHAIR CASTRO: Could you move a little closer --

MS. BAYLOR: Oh sure, sorry.

Center for American Progress, or CAP, is an independent non-partisan policy institute, and we are dedicated to creating new policies with bold, progressive ideas. We believe access to quality, affordable education beyond high school is a critical part of enabling our citizens to have economic mobility and to make sure that our economy grows with sort of shared prosperity.

Today, I will describe our policy ideas for improving the higher education system, and particularly, how it serves people of color.

The three policy areas that I am going to discuss are increasing the federal and state investment in public colleges; guaranteeing that students will receive financial aid -- enough financial aid to pay for college up front; and making sure that students are prepared to do college work when they enter college and then receive support from their institution to meet their academic goals.

First, I'd like to set the stage a little
bit. This might not be news to you, as this is the last panel of the day, but since 1970, the 1970s, we've made significant investments in Pell Grants and student loans to make more -- more Americans able to pay for college.

These programs have paid dividends. The college-going rate has increased by more than a third since the 1970s, and it has increased particularly for low-income, middle-income, and students of color.

At the same time, our higher education system is becoming more diverse. In 1976, people of color were 16 percent of the higher education system. Today, they are happily 40 percent. Part of this increase is because our citizenry is becoming more diverse, but also because of the increased participation rates among people of color.

But at the same time, there are troubling signs that people of color are not able to access some of our most well-resourced universities.

Research universities, as categorized by the Carnegie Classification system, are some of our most well-resourced and academically rigorous programs. During the fall of 2012, students of -- undergraduate students of color at public colleges were 37 percent of the degree enrollment, but at these
research universities, they were 29 percent, and students of color were 41 percent of the students at two-year colleges. So you see a -- a disparity there.

And overall, of the 150 public research universities, only 9 of them are institutions that have a specific mission of serving communities of color, Hispanic -- Hispanic-serving institutions, tribal colleges, minority-serving institutions, and historically black colleges.

So the first step for addressing some of these inequities is to look at the cuts that have happened to public education. After the recession in 2008, many state governments had to cut back their funding for colleges. Our research has shown that 29 states decreased their overall, their total investment in higher education, and 44 states decreased their investment on a per-student basis.

We also found that institutions that served a higher proportion of students of color had -- were particularly hard hit in these -- in these -- with these cuts, so one of the things that CAP has proposed to sort of address this situation is a program we call the Public College Quality Compact.

This would be a federal matching program that would jumpstart a reinvestment in state colleges.
We believe that it is -- it -- without this kind of reinvestment, we're not going to see the gains that we need.

Under our proposal, states would be eligible for federal matching funds if they invested at least as much as the maximum Pell Grant per student, and that we would give extra bonus funds for serving students -- Pell Grant students and G.I. Bill students. This provision would be explicitly aimed at increasing the investment in -- in institutions that serve students of color.

The second piece that we -- I wanted to talk about is our College For All proposal. We want to make the funding guarantee for going to college much more certain.

We think that education beyond high school needs to be universally available, and that needs to cover tuition and fees, living expenses, and making sure that -- that students know going into high school that this award aid will be -- be available to them, very similar to the Pell Promise.

We think that that is important because students will know in high school that they -- that college is available to them, and we want to see more high school students taking a college preparatory
curriculum.

And then finally, I would like to talk about what happens when a student gets to school. It's really important that students receive support from the institution that will make it less risky for them to attend.

That includes bridge programs that -- that have shown to boost student progress and student success, and the other piece that we think is really important are learning communities, which are interventions where students have shared values, shared -- shared work, and they know that other -- other people are participating in the program with them, they have folks to -- students to interact with, they have professors who are -- who are tracking their progress.

So in conclusion, I thank you again for having me, I am happy to answer any questions, and I am happy to provide follow-up information.

CHAIR CASTRO: Great. The Chairman will lead with the questions this time, Commissioner, and then I'll hand it over to you.

Mr. Vedder --

MR. VEDDER: Yes.

CHAIR CASTRO: -- I read and then listened to you with great interest on -- on what you conclude,
what your position is, and very similar to what Mr. Clegg, Roger Clegg, said yesterday, as did Stephan Thernstrom, and that is, you know, minorities -- and, you know, I agree that there's individuals that may not want to go to college, that may not be right for college, that there may be other opportunities for, but you all tend to make these blanket statements as you did in your concluding remarks that minorities shouldn't really try for this because they're going to be disappointed.

And you point to the fact that the wealth gap has not been narrowed for blacks and whites since the 1960s, and then you say they come to school not -- they come to higher education not prepared because the system, K-12, didn't prepare them well.

But you're blaming a community for a -- a playing field that was set by discrimination in the past and discrimination in the present.

As Fabian Pfeffer from the University of Michigan very eloquently put yesterday to Mr. Clegg on this point, the fact that wealth is such a huge divide, particularly with African American communities, he said up until the 1950s, they were prohibited from purchasing the asset of a home, which by and large is the main asset of wealth for minorities, because of discrimination.
And when you look at the school systems that these communities find themselves in, they are based on schools and communities that have a tax base that is virtually non-existent compared to the wealthier whiter communities, so they have schools that are under-resourced, they have schools that don't have access to Advanced Placement and college preparatory courses, so to the extent that these students may be hamstrung, it is because of a system that has been rigged that way, in my estimation.

And then to say, well they have only made -- you know, they have come from here to 25 and they haven't reached 100, so why even bother, seems to me to be very -- an inappropriate way to address this issue.

If those are the concerns, we shouldn't be saying, well, you know what, you guys are just never going to hit that 100 mark, you're only at 25, you shouldn't even try, and that seems to me to be closing off an opportunity for a group of people based on their status, as you said, minorities shouldn't even try.

I mean, you must value your Northwestern degree and your PhD from the University of Illinois. God knows I value my law degree from the University of Michigan because I know that it opened doors for me that
I would not have had had I gone to a less prestigious school.

So to say, as a blanket, that minorities shouldn't try for the prestigious because it might be hard, yeah, you know what, maybe I got a little bit more Bs in Michigan than I would have had I gone to a local school that didn't have prestige and maybe I'd have come out of there A+ and, you know, Order of the Coif, but you know what, Baker & McKenzie would have never hired me if I hadn't come from a prestigious school.

So I think we are setting up --

COMMISSIONER HERIOT: Mr. Chairman, I think you are misrepresenting what Dr. Vedder --

CHAIR CASTRO: I think --

COMMISSIONER HERIOT: -- said.

CHAIR CASTRO: I think we're setting up our minority communities for something -- for failure, based on past failures that the system has already set them up for.

COMMISSIONER HERIOT: Again, you're misrepresenting what Dr. Vedder --

CHAIR CASTRO: Well he will answer --

COMMISSIONER HERIOT: -- said.

CHAIR CASTRO: -- whether I am saying that or not, so that's how I interpreted his --
MR. VEDDER: Well, I would agree with Commissioner Heriot.

But -- and let me -- well, let me say this. If my testimony came off as saying I don't think blacks or Hispanics or whatever minority group should try because there is something of that nature, anything of that nature, that certainly was not the intention, nor do I think it was really expressed in my testimony.

Let's actually look at the -- I think the failure for minorities is -- is a failure of public policy. I think public policy is hurting minorities in unintended ways.

Let me, without using black, Hispanic, or names that might be inflammatory, let's talk about income.

What percentage of college graduates today come from the bottom quartile of the income distribution? We know that the bottom quartile disproportionately includes minorities, but not -- let's not put it in minority/majority, let's put it in terms of income.

In the bottom one-fourth of the income distribution, in the last few years, about 10 percent of the graduates come from that -- that group of people.
That's 25 percent of the population, but they are only 10 percent of the graduates.

What was it in 1976, the first year the Pell Grant was made? 12 percent. It was higher then than today.

Someone at my -- one of my colleagues said, well gee, the Pell Grants haven't kept up. We've gone from 60, what is it, 62 percent to 38 percent in terms of funding.

CHAIR CASTRO: 72 to 36.

MR. VEDDER: 72 to 36. But we also went from $1400 to $5700. In the real world, which is to say outside of higher ed, in the rest of the world, the price of bread tripled. The price of housing tripled. The price of food tripled. In real terms, the way the Bureau of Labor Statistics one mile away from here, less than a mile away from here, calculated, the Pell Grant has gone up 30 or 40 percent.

Well, why isn't it covering this much? It's because colleges have raised their tuition. Why aren't you looking at that? Why aren't you looking at -- at the producers of these services, what they are doing? They are exploiting people.

They are taking these financial aid programs and they're raising fees. That hurts all
people, but it hurts minorities more, it hurts blacks more, and I'm not saying gee, therefore blacks shouldn't go to college. No. I am saying they're -- they're being ripped off more, relatively speaking.

And that is the -- the thrust of what I wanted to say.

CHAIR CASTRO: Okay, we are going to look at that because we actually did have some testimony on that yesterday, so that issue is going to be something we look at, but that's not what I interpreted your remarks, both written and oral, to be.

Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: I wanted to talk with Ms. McClean about your observations regarding the campus-based aid programs.

So you -- SEOG as well as college work study, as -- and there is a third program --

MS. McCLEAN: The Federal Perkins Loan Program --

COMMISSIONER ACHTENBERG: Perkins Loan, yeah.

Could you talk about each of those in turn and whether or not the other two as well are ripe for reform, and in the case of college work study, not just the allocation, but whether or not increases in college
work study might be a smart investment if our goal was to empower students in general who are already in college to achieve the baccalaureate, and any observations you might have about whether or not there is anything pertinent, in particular, to persistence and degree attainment on the part of racial minorities?

MS. McCLEAN: Absolutely, and I will start by saying something I didn't mention in my testimony is that many of you may know that the campus-based programs are, I think, kind of on the chopping block as we approach this upcoming reauthorization, so I want to state firmly that we at NASFAA find them very valuable because of that campus-based nature, I think that that's an important thing for me to say.

I'll go through them individually as you asked. The first one, the Supplemental Educational Opportunity Grant, which is designed to be -- to supplement the Pell Grant Program really is what it does, and that is a grant-based program, and the aid administrator does have flexibility to sort of look at their pool of students and decide who gets those additional funds within federal parameters.

And so most institutions will try in some way, shape, or form to allocate that fund -- those funds to Pell Grant recipients.
I think that's a program that works very well right now, so in terms of it being ripe for reform, I think we'd like to see more money in it, but I think to the extent that it supplements in its grant dollars, it's doing a good thing right now.

The Federal Perkins program, I think, you know, we could always look at expanding that program. Right now, it's a relatively small program. It's a $1 billion program, and we think about that in terms of the Pell Grant program, for example, that is very small.

And so I think what we might look at is expanding that program to get more institutions into it so that more can participate.

And the Federal Work Study program is a program with a tremendous amount of goodwill, both on Capitol Hill, but with, you know, financial aid administrators and most folks in our community, and I would say with that, we would love to see more funding in that program, and certainly that helps students as they get those paychecks throughout the semester, but you asked specifically about other benefits, and there really has been research to show that it really does connect students to the institution if they can have a job that they go to and they get kind of intertwined and have the supervisor they're working with, so
there's been research to show that, and then certainly for a lot of students that is their first real job experience, and they rely on that heavily when they graduate on their resumes and in trying to get their first jobs.

COMMISSIONER ACHTENBERG: We heard testimony on the part of Chancellor White of the California State University that in particular, college work study was a -- a very important part of not only making the student connected to the university, but also enabling the student perhaps to have an opportunity to do an internship inside the university or to undertake to become a lab assistant or something like that with college work study funds, and that makes the person more likely to persist, to achieve, to -- to graduate.

MS. McCLEAN: Yes.

COMMISSIONER ACHTENBERG: So he -- he was also an advocate of targeted work study, and so that -- that is pretty consistent with -- with his testimony.

I am wondering, Ms. Baylor, if some of the recommendations that Ms. McClean is making ring true for your organization, and if you could comment on that.

MS. BAYLOR: Absolutely. We -- I agree that the -- the work study program should be -- connect
students to universities and that it helps give them
work experience to take into after school.

We also in particular would like to see an
expansion of anything that would connect -- jobs that
connect the student to their academic work --

COMMISSIONER ACHTENBERG: Yes.

MS. BAYLOR: -- in particular, to make
sure that students who have economic need also have the
time and the opportunity to, if they can't afford to
do an unpaid internship that gives them a leg ahead,
want to make sure that there is an opportunity for them
to do work that connects them to their academic work
related to SEOG, we would like to -- our general --
general recommendation is that we need to have more aid
that is not paid back, right, especially for students
at the low end of the income scale.

We want them to understand that a college
education is something that they can attain, especially
because the jobs and the economy require these skills.

COMMISSIONER ACHTENBERG: Well, we heard
testimony from King Alexander regarding the funding
formula for SEOG, and his observation was pretty
consistent with yours when you said that the -- one of
the components is the sort of that whole "harmless"
clause where you -- you give the -- their base -- you
give them the base that they had the year before, so
the older institutions that had need when the program
was created and have been outpaced enormously by newer,
faster-growing institutions, that the formula is
outdated and tends to reward older institutions and
give them more money.

We heard, in fact, a statistic, all the Ivy
Leagues combined receive $10 million in SEOG for 60,000
students, whereas the California State University,
which educates 400,000 students, receives $11 million,
and of their 400,000 students, almost half of them are
Pell eligible, whereas the Ivy Leagues maybe under 15
percent are Pell eligible.

So the money is being -- a large amount of
money is being invested in the very small number of
needy students on the one hand, and over here, you have
a huge number of needy students who are getting
essentially nothing now.

Perhaps that might be combined with some
kind of outcome measurement. I mean, we heard earlier,
and I -- I am sympathetic with Commissioner Kirsanow's
concern that solely the measurement of inputs is not
exactly where we want to be, particularly if our goal
is to increase the attainment of the baccalaureate
degree, both in the aggregate as well as with regard
to minority underachievement.

   But it seems to me that that SEOG, I hope it's not on the chopping block, but it certainly might be on the redistribution block if equity is going to be more readily achieved. Is that a conclusion that you would agree with, or do you take -- do you take some kind of -- is there something there that I am missing?

   MS. McCLEAN: No, that -- I think that's correct.

   COMMISSIONER ACHTENBERG: Mr. Vedder?

   MR. VEDDER: Yeah.

   COMMISSIONER ACHTENBERG: Did you have an observation --

   MR. VEDDER: No.

   COMMISSIONER ACHTENBERG: -- with regard to my statement?

   MR. VEDDER: No, not -- not -- no, I -- I have no specific observation, except for one thing. The base -- what do you call it? The base guarantee, everyone I know in higher ed that -- that any -- it's a political thing. It's not -- it has no rational basis, any basis, so I am in complete agreement with the statements with respect to that.

   COMMISSIONER ACHTENBERG: Ms. Baylor?

   MS. BAYLOR: Yes, I think that one of the
things that we see systematically from state funding
to this grant program is that institutions that are
well-resourced end up -- end up having more students
succeed, and so -- and then you see these institutions
that have prestige associated with them get more money,
and the institutions that are serving some of the
neediest students seem to be facing the cuts first, and
we need to redistribute that.

COMMISSIONER ACHTENBERG: I just have one
quick -- your federal matching program encouraging
states to reinvest, one of the primary factors for the
increase in tuition, at least in state-funded
institutions, I am not saying it's the only factor, but
a primary factor has been the progressive disinvestment
on the part of states on behalf of their state
university systems. At least, that has been the
phenomenon in California, and I know that has been true
in other states as well.

How would a federal matching program work
in terms of your proposal, and how does that yield
increased investment on the part of the state?

MS. BAYLOR: So the way we would envision
it is that we would create a pot of money at the federal
level that states would be eligible to access if they
spent at least as much per student on a Pell Grant --
if their overall state investment in the public college
system is equal to at least as much as a Pell Grant per
student, so $5,700.

Right now, running the numbers, we looked
at it that 37 states are already over this bar, and
another 10 states are within a couple hundred dollars
of this bar, so we thought it was a bar that kind of
pushed people, pushed states a little bit, but wasn't,
you know, outside the realm of what seemed reasonable.

And -- and what we would say is that if you
participate in this program, you'd be eligible for this
extra funding for -- for any money that you put back
into the system, the federal government will match you,
and we would create -- we thought that -- we wanted to
make sure that the matching supported students from
backgrounds that we wanted to see succeed, and so we
thought enrollment of Pell Grant -- Pell-eligible
students and G.I. Bill-eligible students would be good
measures to sort of redistribute this equity.

MR. VEDDER: May I add to my statement?
You asked me a question, and I -- we give -- the federal
government gives $50,000 per pupil, or student, or
more, aid to the elite private universities: the
Harvards, the Yales, the Princeton.

When you take account endowment subsidies,
special, you know, privileges for people who make
donations and so forth, these are low-Pell schools with
low Pell participation. These are schools that have
legacy admission standards that often discriminate
against minorities. I don't know why you people -- you
people, that's probably a wrong term to use --

CHAIR CASTRO: Probably.

MR. VEDDER: -- the Commission doesn't
look into this issue and take this up as a topic. I
think it's something -- and it's something that, by the
way, people on the conservative and the liberal ends
of the spectrum might find some agreement on. Just a
thought.

CHAIR CASTRO: Commissioner Narasaki,
followed by Commissioner Heriot.

COMMISSIONER NARASAKI: Thank you.

So I have a couple questions. One is, so
Mr. Vedder said that a college degree is not a guarantee
of employment, and so but what I want to understand is
-- from all of you, is it seems to me that increasingly
though it's becoming a prerequisite for many jobs.

So is it correct to say that you will have
many more opportunities for sufficient employment,
paying a living wage or getting you into the middle
class, if you have a college degree versus if you don't?
MR. VEDDER: Well, since you mentioned my name first, I would agree with that statement.

College degrees, other things equal, and that's an important qualification, have -- are a ticket to -- are a better ticket to success than not having a college degree.

So of course, we want people to get college degrees.

By the way, I am -- I am the only one here who has actually -- except for some Commissioners, that actually teaches students. I am in my 51st year of teaching. I have been teaching for 51 years, so I -- I am a great believer in pushing college education.

There is a payoff, but there's a -- but there is also a huge amount of risk associated with getting that degree. That was my point.

And if we don't point that out, my wife is a kindly high school guidance counselor, and she -- we're the worst offenders. We tell everyone go to college, go to college, go to college.

CHAIR CASTRO: Not everyone.

COMMISSIONER NARASAKI: I think that's what -- I think that's actually what the Commission is exploring, is we are concerned that there are institutions that seem to be gaming students at the --
at the expense of students and not really concerned with
them graduating and being able to use education, so I
am glad that you clarified it, that is very helpful.

The other thing I have been concerned about
really the last two days, there's been a lot of focus
on sort of the private good, right, of what's -- what's
in it for the student to get a college education, which
I think most of us agree is important to either get
college or some kind of advanced degree, you know,
whether it's -- whether it's vocational or something
else, that these days, in this global economy, a high
school degree just really isn't going to cut it for most
people I think is the case. At least, that's my
personal observation, and I say that as someone who has
a brother who became an actor and defied all of the Asian
American culture and said he wasn't going to college,
so -- and he's one of the smartest people I know.

So obviously, you can succeed without a
college degree, but it just makes it easier, I believe,
if you have one.

So what I'd like is some observations. We
have some in our written testimony. What's the public
good? Aside from, of course, the hope that you will
become someone who is making enough money to pay to the
tax system and help drive the economy, what are some
of the other goods that are associated with college
degrees?

MS. BAYLOR: So one of the first things I
think of is greater participation in our society,
right?

You see people with education -- more
education beyond high school being better at civic
engagement, and I think that we'd like to see that
across the board.

I think that because our economy, we talked
about the global economy, the 21st century economy, and
how close it is, it makes our country more competitive
with other countries. That's not just the consumer
angle that I have more tax dollars to -- or I have more
income to consume, it just makes our -- because --
because job creators can move their jobs anywhere
around the world, it's easier for them to move their
jobs around the world, and if we have the type of workers
that they want to employ, they'll move the jobs to our
shores.

MS. McCLEAN: Yeah, I would echo -- oh,
sorry.

I would echo that as well, that I think the
engaged citizenry is -- is a huge part of it, the
national competitiveness.
But also, I mean, these might be more
generalized as kind of the softer skills, but just the
general tendency of college-going folks and graduates
to be more open-minded and to leave having known what
it's like to work with other people and to work in
groups, and I think -- I think it really does a great,
great thing for society as a whole.

COMMISSIONER NARASAKI: We actually, in
our hearing in New York on use of force, I asked the
panel the question of, you know, what's the biggest
link, what can we do to help law enforcement be able
to make better judgments with the use of force? And
one of the responses was that the thing that correlated
most with appropriate use of force was a college
education, which I thought was really fascinating.

The other thing I want to know --

CHAIR CASTRO: Commissioner, actually,
Mr. Vedder I think wanted to answer your first question
as well.

COMMISSIONER NARASAKI: But can I finish

--

CHAIR CASTRO: Oh --

COMMISSIONER NARASAKI: I'll let him

answer.

CHAIR CASTRO: But you're asking the
second question.

COMMISSIONER NARASAKI: No, no, I just want to finish the -- the other observation is there's a lot of testimony here that the most likely predictor for kids to be able to successfully go to college and -- and graduate is having parents who went to college, right? And I get concerned about the lack of value of having educated parents, and partly because when I was going to college, I went to Yale, and my uncle said to my dad, why are you bothering spending all this money to help her go to Yale because she's only going to get married? And you're wasting the investment.

So I feel like there is an investment to having educated moms and dads who can better help their kids not just because of a better income, but because they have bigger vocabularies and they're able to be more supportive of their kids growing up, so I just wanted to say that.

But Mr. Vedder.

MR. VEDDER: You were asking about public -- the public goods --

COMMISSIONER NARASAKI: Right.

MR. VEDDER: -- component of higher ed.

There are a couple studies that I don't know why proponents of higher ed don't look at more
often by the National Bureau of Economic Research and others that show that where you have more presence of college graduates in a work environment, you get greater productivity out of your non-college-environment, that would be a pure public good kind of thing.

There is, however, some evidence that there may be, as the late Milton Friedman wrote in an email to me shortly before he died, that there are also some negative externalities perhaps associated with college in some cases.

Another one that is often used is smoking. College graduates smoke less, so that causes less secondhand smoke problems and health issues, they claim that there's health benefits, although actually people who smoke die earlier, and that lowers the Medicare costs, so you know, you -- I am sorry, it's true.

(Laughter.)

COMMISSIONER NARASAKI: That's a somewhat grim view. I'm not sure I want to explore that one any further.

I think I'll shift to the TRIO program. So -- so I'm a little sensitive on that one because my father died of emphysema.

So on this issue of TRIO, so some -- some
of the stakeholders have suggested that we -- that there's not enough data to show that all of the programs are working as effectively as we want to given the investment.

Some have said that therefore we should just end them. Some have said perhaps we should remake them, maybe into more general grant programs with a lot more accountability. So I am just wondering what your recommendations, if you have any on that.

MS. BAYLOR: Very top level, I would say don't get rid of them, right?

Because anything that we have -- any programs that we have that are supporting students in school, whether or not -- I think that the idea that -- the idea of accountability is incredibly attractive in higher ed. It's something people are talking about a lot. But I think you can take accountability to every tiny -- to the point where you have very few returns, and I think the TRIO programs are designed to support students in college.

More recently, I worked for the Senate Health Committee where we did work on for-profit colleges, and one of the things that we looked at was the fact that when students came in the door, they weren't getting support, and so one of the most
important questions is what are you giving this person access to? Are you giving access to going through a door and then not getting any help on the other side? That's what the TRIO program is there to do, and so I think that measuring sort of interventions that work and saying hey, you should do this, is an effective way of -- of calling for improvement within the TRIO programs, but sort of measuring every TRIO program and then ending them is -- you end up -- you end up spending more time trying to like satisfy the accountability than you do supporting the student.

MS. McCLEAN: Yeah, I would agree with those remarks. I think the programs are so valuable because of the support that they provide, and they're very unique in that way in terms of a federal program, and so perhaps there's ways we can look at, you know, reforming them or making them better, we can always do that in public policy, but certainly eliminating the programs is not something that we would be in support of.

CHAIR CASTRO: Okay, Commissioner Heriot?

COMMISSIONER HERIOT: Thank you, Mr. Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER HERIOT: I don't have a
question so much as a request here. Perhaps I should have mentioned this to some of the earlier panelists as well because they also brought up the topic, but I forgot, so let me try it on you, especially you, Ms. McClean, because you're the one that mentioned this.

I haven't been teaching quite as long as Dr. Vedder, but I have been teaching 26 years, and I love my university, I love my colleagues, I love my colleagues at other institutions, but I also know that they have a funny habit of arguing that things that are really good for them are also good for students.

And so you've got to watch out there, so I'm a little bit wary of the claim that work study is especially great because I know that work study benefits me because I get free labor out of it, and my colleagues get free labor out of it.

But on the other hand, the arguments that have been made by panelists here make a lot of sense to me, the notion that keeping students on campus, you know, helps, rather than having them work at that pizza parlor, you know, they're actually getting, you know, feeling like they're part of the community, they might stay around longer.

You mentioned that there is some empirical evidence on this. Could you cite that to me and send
it to me when you get a chance?

MS. McCLEAN: Absolutely --

COMMISSIONER HERIOT: Great.

MS. McCLEAN: -- I'd be happy to.

COMMISSIONER HERIOT: Great.

CHAIR CASTRO: Any other questions, Commissioners? Oh, Commissioner Kirsanow?

COMMISSIONER KIRSANOW: Thanks Mr. Chairman, and thanks to the panelists.

I think Dr. Vedder you had mentioned that because of Griggs v. Duke Power, the value of a college diploma has been -- I guess for lack of a better term, it's now a must-have credential because of the fact that in Griggs v. Duke Power, a high school diploma was ostensibly used to bar certain people from employment even though it didn't have any job-related significance.

Is there -- the title of this hearing is The Effect of Access to Persistence in Attainment of College Degrees and Socioeconomic Movement of Minorities. Do you see the credentialism that seems to be pervasive among colleges, grade inflation, the explosion of remediation courses, as something that -- first of all, not all college degrees, not all disciplines all the same, not all colleges are the same.
Do you see there being a dilution of the college degree and/or a reduction in social or socioeconomic mobility as the result of this kind of devaluing of the college degree?

MR. VEDDER: I do. I think it's -- the college degree at one time was an important screening device. It still is an important screening device that for employers provides a relatively low-cost way of them differentiating what is on average a bright, disciplined potential workforce, those with degrees, as opposed to those who are without, who on average, on average are less bright, less motivated, less -- less knowledgeable, less skillful, and so forth, maybe less cognitive skills, I don't know about that.

And as more and more people go to college, and many of them are getting degrees that, to pick up on an earlier panel discussion, where the amount of actual learning outcomes that have occurred are -- are pretty dubious, that no longer is the bachelor's degree -- it's starting to lose its cachet, except, except at the elite schools, because the elite schools are still thought of as being the best and the brightest.

So if you look at the earnings, in my testimony, I took the earnings of 22 elite schools. I don't know if Michigan made the list, Northwestern
didn't, Commissioner, but very -- the yuppie schools. 22 -- I actually took all private ones, I think -- 22 private schools at the top, using payscale.com data, and 22 schools from the Forbes Rankings of Colleges and Universities, which I by the way do, in the bottom, randomly selected, I added a couple HBCUs in too to be sure that there was a good minority representation among the schools.

The earnings were right out of the box 35 percent higher in lead schools than the non-lead schools. So we can send you to a college, or we can send you to a real college, and at mid-career, the differential had widened to well over 50 percent.

So the kids that go to the elite schools not only make more to begin with, they get larger percentage advances.

And you know, I think that's partly a consequence of this huge expansion of the system that has devalued the degree, it's led to credential inflation, so now we have 115,000 janitors with bachelor's degrees, I am waiting for my university to put a master's in janitorial science program in any day now, you know, we've got to have more and more credentials.

And for what purpose? What is it serving?
Have we got greater income equality in the United States? Have we -- you know, what have we achieved from this?

And, you know, and I'd love to talk to you privately because I thought the questions you asked at the last panel were particularly poignant with regards to, you know, what are the outcomes? What, you know, what is it we're trying to achieve?

And we don't have good information. Do we know -- the United States Government does not publish data on the graduation rates of Pell Grant recipients.

Now, we spend $35 billion a year on Pell Grants. We don't publish the data. If you call up Arne Duncan tomorrow and say we want the data, he won't give it to you.

Now, maybe, you know, you're the Civil Rights Commission, maybe you've got more power, I don't know, but you don't have -- now, that is a crime. That is an absolute --

COMMISSIONER HERIOT: That they collect it or just not publish it?

MR. VEDDER: Well, that they, yeah, they collect data on Pell Grants, they do publish data by colleges, you know, Pell Grant percent, but they don't publish it by -- I mean, they publish, you know, what
percentage at UVA are college Pell Grant, we know that, but we don't know by -- as a general statistic.

CHAIR CASTRO: Any other questions? Commissioner Narasaki?

COMMISSIONER NARASAKI: Yes, I forgot this. I had hoped that there would be someone from an HBCU testifying, and apparently they weren't able to come.

So my understanding, and I was talking to someone who heads an HBCU down I think it was in Alabama or Mississippi, and they were telling me that actually, HBCUs these days have a large percentage of non-African-American students attending.

And the HBCUs end up doing a lot of remediation support, so I am just wondering if any of you have expertise to comment on the HBCU system.

MR. VEDDER: The -- there is a general truth to what you say. There has been an expansion in the non-African-American component at HBCU enrollments.

There is a broader problem with HBCUs, which has been there has been a very significant decline in enrollments at a large number of schools in recent years, and this is, you know, this is getting to a very serious point in some institutions. I could name
specific examples, but it probably wouldn't be appropriate.

MS. BAYLOR: I don't really have a lot of information. What is your exact question? I am sorry, could you repeat it?

COMMISSIONER NARASAKI: I am just -- I am interested in the percentage of non-African-Americans --

MS. BAYLOR: I don't have that number off the top of my head, but I would imagine that it has grown, you know, from a really, really tiny percent to like a small percent, right?

So I don't think we're seeing a sea change, but perhaps Megan--

MS. McCLEAN: Yeah, I don't have that information right now either, but that's something we can certainly look up for you and get you.

MS. BAYLOR: Yeah.

COMMISSIONER NARASAKI: Thank you.

**ADJOURNMENT**

CHAIR CASTRO: Thank you.

Well, that brings us to the end of the panel. I see no other questions from our Commissioners, so I want to thank you all for participating today, and I remind folks that the record
remains open for the next 30 days, so any of you can supplement, and members of the public can also do that, and I’ll remind you how you can do it.

You can either mail it by regular mail to the U.S. Commission on Civil Rights, Office of Civil Rights Evaluation, 1331 Pennsylvania Avenue NW, Washington, D.C. 20425, that’s Suite 1150, or you can send it via email to publiccomments@usccr.gov.

I want to thank my Commissioners for participating so well today and engaging in this topic, and again, thanks to our staff for organizing today, and thanks to C-SPAN for being here all day.

Thank you very much. The meeting is now adjourned at 3:45 Eastern Time.

(Whereupon, the above-entitled briefing was adjourned at 3:45 p.m.)