ALEXANDER:

The Senate Committee on Health, Education, Labor and Pensions will please come to order.

Clark Kerr was the president of University of California. And he wrote a book in 2001, which he called, "The Uses of the University." And he said this, out of 85 human institutions founded before 1520, and largely unchanged today, 70 are universities.

Of 85 institutions founded before 1520 and largely unchanged today, about 70 are universities. As for the other institutions, well, among them are the Catholic Church and the Isle of Man.

So, Kerr wrote, "Universities are among the most conservative of all institutions in their methods of governance and conduct and are likely to remain so." So if that's true, maybe we ought to pack up and head home.

But I don't think so. The purpose of this is -- is to point out that universities are changing. And certainly, the world around universities is changing.

First, there are more people attending. At the end of World War II, only about five percent of the population, 25 and older, had earned a college degree.

When the Higher Education Act signed in 1965, it was only about 10 percent of the population had a college degree. Now, 32 percent of Americans, 25 and up, have a college degree.

Second, our campuses have students that are much more diverse. Forty percent are 25 years or older, come to college having experiences in the workforce.

Of the 21 million students in higher education, only one-third are full-time undergraduates under 23 years of age. Only 19 percent live on-campus. They come from a wide array of backgrounds.

And third, employers need workers with post-secondary degrees, more than they did before. Georgetown University economists says we'll need -- we'll be five million short in 2020 of people with proper post-secondary skills.

So Congress needs to help colleges and universities meet those needs, when they need -- need to consider new providers of education that don't fit the -- the traditional mold. I have two questions for today's hearing.

And I am looking for some answers from our distinguished panel. How can we help colleges find new ways to meet students' changing needs?

And in any practices, we have the discouraged (ph) colleges and universities from innovating. And second, should the federal government be considering a new definition for the college or university?

There are many new learning models that are entering the landscape, thanks to the Internet. We need to consider what role they play in our higher education system, and whether financial aid ought to be available to students who are learning outside our traditional institutions.
I'd like to put my entire statement in the record. But let me summarize just a few points that are in the remaining part of it.

On the question of -- of innovation, one of the most promising innovations is called competency-based learning. How do we deal with that?

Now, working moms studying at the University of Wisconsin, has an associate degree in nursing, wants to get her bachelor's in nursing to increase her earning potential. Through the university's new flexible option, she's able to earn credits and finish tests and assignments on her own time, including between her shift and her son's baseball game because the degree program is based on her ability to demonstrate knowledge of the subjects rather than her ability to sit through courses.

She might finish a biology course in eight weeks but only three weeks in a mathematics course. The taskforce, the Kirwan report that Senator Mikulski and Bennett and Burr (ph) and I commissioned said that government regulation is a barrier to innovation. They cited a 2010 Department of Education regulation, establishing a federal definition of a credit hour as a minimum of one hour of classroom instruction and two hours of outside work. How that definition affects student aid in the organization of -- of our colleges and universities ought to be a subject that we talk about today.

Congress recognizes both before in 2005, we authorized something called direct assessment. But it's only been used six times for six institutions to -- to try to find a way to include competency-based learning into -- into the way we do business.

The other barrier to innovation may be accreditation. Accreditation is old-fashioned in many ways. We haven't figured out a real alternative to the way we do accreditation.

But there may be ways to improve it. Now, the second point of providing role (ph) -- new providers for higher education, there are organizations that don't look like the traditional college -- college and university, places like General Assembly, schools that hires (ph) industry experts from places like Apple and Cisco to teach adult students skills that today's employers value or StraighterLine under a monthly subscription fee with credentialed teachers or tending a massive open online course, MOOC.

Those are different ways. The Mozilla Foundation develops and gives digital badges for those who learns (ph). So we're -- Senators have and the President Obama have made suggestions about how to create new ways that higher education can provide -- can provide education.

The president and his 2013 State of the Union address talked about a new system that would provide pathways for higher education models in college and colleges to receive federal student aid based on performance and results. Senator Lee, Senator Bennett, Senator Rubio -- all are working on legislation with a similar goal.

I look forward to hearing what today's witnesses have to say.
ALEXANDER:

Thanks, Senator Bennet.

Senator Baldwin?

BALDWIN:

Thank you, Mr. Chairman, Ranking Member for this hearing. And I also want to echo Senator Bennet's words of congratulation on our passage of the reauthorization of the SCA (ph) last week.

And it does give me a lot of hope and encouragement moving forward to the Higher Education Act reauthorization. I also want to thank our panelists here for your testimony.

And I think the central question for this hearing and also in the reauthorization, should be how we can best strategically and effectively support students, especially our low-income, first- generation and minority students in having access to high-quality lower cost higher education. And I believe in exploring innovation in higher education that coupled with guardrails to protect our most vulnerable students, I think innovation is necessary to ensure that that the federal government supports the learning and workforce demands of our 21st century.

So I look forward to lesson shared from the panel and learning more about innovations throughout the country, some that we've heard a bit about this morning and some that we have yet to hear about.

Dr. LeBlanc, in your testimony, you speak to the value of your college education being the key to the American dream in the sense that it was affordable high quality and meaningful. In Wisconsin, my -- my state, the University of Wisconsin offers an innovative model for -- for learning called the U.S. Flexible Option or U.S. Flex, for short.

This is an accredited competency-based education model that allows students to work at their own pace towards their chosen degree or certificate. So as we work to support quality innovative programs, many have called for an expansion of the demonstration sites to allow space for trial and error and ultimately, learn what works best for students.

I'd like to hear specifically about quality metrics and outcome-based reporting, that you'd like to see -- see in these sites and other projects to -- to guidance. What should we be looking at?

LEBLANC:

So at the end (ph) -- when we look at, for instance (ph) like Wisconsin, I know my colleagues, they very well marry (ph) the work, I think the quality hinges on two questions. And it moves us away from the traditional sense of inputs mattering most, as I would argue, have argued that a lot of higher educations
are faith-initiative, that if you have enough Ph.D.s on the faculty and books in the library and students with high SAT scores, we have faith that what came out on the other end would be OK.

And I think that's the faith that has eroded in many ways. And really, what we now want to see, I think is a shift towards looking at clarity about the claims you make for the student learning.

How do you know? Do they have a labor market traction? Are there things that matter? What are they based on?

And then the second question is, how do you know students have mastered those things? How do you know what's the nature of your assessment, what sorts of questions are you asking about the learning?

And -- and this is place where I think we have a lot of work to do and a lot of rigor about when you shift to that sort of I can stand behind my claims, you can worry a whole lot less about the inputs. You can then get much more innovative about you get students across that finish line because you have genuine marks of quality.

It is not an act of faith to be able to look and say, I see it in the data. I see the kinds of jobs students got (ph), new (ph) job placement rates.

I see the way they can perform, as one of the (ph) other senators, Senator Cassidy about, you know, experts have attested to the -- to the ability to do the things that this institution has said they can do. That's the real great promise, I think, of these new models, is that they really shift us to genuine claims for learning and what students can do, how we know.

BALDWIN:

Yes, let me try to fit in another quick question on the same topic on, you know, because I'm also concerned with those guardrails. I want to innovate.

But I'm also concerned with that. So you know, this is -- this is innovation. This is new.

Do we currently have enough information from our experimental sites, other nonfederal endeavors, to ensure that innovative models like the competency-based education can be broadly expanded and will meet the unique needs of especially the more vulnerable students that I was talking about earlier -- low-income minority, first-generation college students, et cetera?

Mr. -- Mr. Horn?

HORN:

No, I don't think we do. What we would want to see is this set of experimental sites that we're experimenting on different ways to judge these outcomes and -- and create those guardrails that let a few in but not open it up like we did with the -- with the online debacle on the other side of it.
And I would be looking at various risk-sharing agreements. We've proposed a quality (ph) value index that would allow you to get more of your financing from federal Title IV dollars, the better you did against certain student outcomes, accreditor-led ways of doing this, transparency ways of doing this, but really set up four or five controlled experiments that experiment with different incentives to see do they work or do they create unintended consequences.

ALEXANDER:

Thank you, Senator Baldwin.

ALEXANDER:

No, no, I'm glad -- glad you -- glad you asked the question. So I -- I want thank the witnesses.

This has been very interesting, very helpful. Several senators, as they left (ph) said -- said that.

I'm -- if -- in just a moment, I want to ask each of you to take one minute and say anything that you didn't get to say while you were -- while -- while we were all here. I want to ask to take Senator Whitehouse's question seriously.

We really have two efforts going on to try to simplify and make more effective federal regulation of higher education. One is the Kirwan-Zeppos Commission, which has already made its report, 59 recommendations.

And Senator Mikulski, Bennet, Burr and I had asked for that two years ago. A second is a group that (ph) I met with this morning that came out the 2008 Higher Education Bill, spending (ph) a year looking at federal regulation of -- of -- of research outside of the Department of Education.

It's chaired by the former Chancellor of the University of -- of -- of Texas at Austin. And I know that President Obama has been interested in this, really since he arrived.

So over the next year, let's say the next six months, we have an unusual opportunity to do something that's rarely done in Washington, which is to actually deregulate, simplify, make more effective -- these regulations have just piled up over the last eight reauthorizations of the Higher Education Act and take into account all this innovation that's coming out.

So Dr. Gellman-Danley, for example, we ask you -- you -- I mean, you mentioned the obstacles in the law that might permit you from doing a better job of having the flexibility. We've been talking about -- well, we've -- what we need from each of you, if you will please do, is your five or 10 or more if you want, but five or 10 very specific recommendations.

If you were members of this committee, what would you put in our legislation that would -- that would -- that would simplify and deregulate, save money, make more effective the government's involvement with higher education? Now, I'd like to give you each a minute or so just to sum up or say anything that you'd like to say.
And Dr. Gellman-Danley, I'd like to ask you, and if you need another minute to do that, that's fine -- I believe your Web site says that the Higher Learning Commission has removed its application for any new competency-based program using direct assessment and is waiting for further Department of Education guidance.

Now, if you're for more innovation and direct assessment is the one -- is one way to do that, why are you not doing that, would be my question. And why don't you answer that then say anything else you'd like to say.

And then we'll go right down the line and conclude the hearing.

GELLMAN-DANLEY:

I'm actually delighted you asked that. It will be a great moment of catharsis.

I'm glad you asked that. It will be a great moment of catharsis. In effect, we were -- we had left this -- the buses left the station.

We were ready to go. And we had some interference from the Department of Education based on their visit from the Office of the Inspector General and then again from the Office of the Inspector General. We did not have the terms and guidelines that we needed.

We were ready to go. We spoke repeatedly with the Department of Education. And they are good people.

And they're very committed. And the relationship is improving. But in effect, along the ways, definitions were changed.

And so our institutions asked us. And we wanted to do this for them, that they did not have to submit and then resubmit based on not getting the information we needed.

The good news is, well, check our Web site because we can look back. That's been resolved. We've gotten the definitions.

We work collaboratively. I've known Paul for a long time. Paul actually did something that's unusual from the Department of Education.

ALEXANDER:

Paul?

GELLMAN-DANLEY:

LeBlanc.

ALEXANDER:

Paul LeBlanc.
GELLMAN-DANLEY:

Paul LeBlanc, whatever. Paul, right?

ALEXANDER:

Ask him, which LeBlanc (ph)...

(CROSSTALK)

GELLMAN-DANLEY:

The guy you see on the commercials all the time, right...

LEBLANC (?):

Yes, yes.

GELLMAN-DANLEY:

...coming in from Southern New Hampshire.

LEBLANC (?):

Not Troy Thompson (ph).

GELLMAN-DANLEY:

Yes, there you go. But the bottom line is that we talk together collaboratively -- two parts of the triad on (ph) working to resolve this.

So we will -- we can move forward now. But...

ALEXANDER:

Yes.

GELLMAN-DANLEY:

...the reason we hesitated is...

ALEXANDER:

Was it a difference of opinion between the inspector general and the department about definitions?

GELLMAN-DANLEY:

Well, actually, frankly, the way it went is exactly that and then followed up by holding us accountable to definitions we did not already have. So we're -- you're used to that.
We're a large accreditor obviously. And we sat back and we looked at, you mentioned, excellent programs like Wisconsin, mentioned repeatedly.

We didn't want to ask the University of Wisconsin to fill out one application then have to fill out another one and a third until that was just stalled (ph).

ALEXANDER:

Well, we -- I don't -- the reason this is important that we --- we don't want to create in our legislation safe harbors or whatever you might want to call new methods of experimentation. And that have not worked because -- because there is a -- because the Department of Education or its inspector general or both come up with the regulations that are inconsistent or confusing or don't follow our intention (ph). So a part of that would be good suggestions from you about how we could write our language so that it made it most likely that accreditors would be able to do these things and exercise that flexibility, and the department itself would be able to expand -- expand its programs and our -- that our demonstration programs are experimental programs.

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