

# The Access Crisis and the Move Toward Accountability

GARY ORFIELD

American society is facing a growing crisis of sharply escalating demand for college opportunity met with an unwillingness of political leaders to adequately respond. Instead of addressing this demand by investing in higher education, political leaders have shifted greater financial responsibility for the costs of higher education onto students and their families. This shift disproportionately affects the nation's lowest-income students, students of color, and the colleges and universities serving them. At the same time, there has been a sharp decline in the percentage of Whites among the college-age population and a dramatic rise in the share of Latinos; Blacks have held their own. The small share of Asian immigrants are the most educated and successful among the racial groups in a society with record levels of economic inequality. As the rates of school-age poverty have grown, the public schools have become increasingly unequal by race and class, further raising the stakes.

So as the real cost of college has multiplied over the last four decades, and few families have savings that can cover the cost, financial aid and loans have become essential for most college-going students. The demands are intense, as families and institutions across the country seek out and compete for limited resources. And with the public unwilling to pay for these resources through higher taxes, policy makers, hearing the demand for action, have increasingly proposed accountability policies as a solution, asking: Why can't colleges increase their output by lowering the time required

and increasing the graduation rates? Shouldn't they be punished if they start recruiting too many out-of-state students to increase their tuition income, thus harming local students? Why are they admitting so many students who do not pay off their loans? Is it inefficient to enroll students who have been ill-prepared in inferior public schools and have weaker chances of ever finishing? Why not just pass a law and make the system more efficient?

However, as the research studies in this volume reveal, one person's efficiency is another person's exclusion. If college controls destiny—access to employment, income, and middle-class status—and the paths to college are a well-lit superhighway for some and a rocky path over mountains and through briars for others, we need to ask ourselves: Who is a push for efficiency going to hurt? Whose life chances are going to be squeezed out? What groups will do fine and which will suffer? Will the policy that sounds good become a harsh barrier for the institutions that struggle to widen the path for those who are not prepared for what may be their only real chance? Politically, it is logical to turn toward accountability. But, like many large and seemingly simple ideas, it is full of unexpected complexities and unacknowledged costs.

## **AMERICAN DREAMS AND NIGHTMARES**

Today, the American Dream focuses strongly on college. Families dream of putting their children through college and launching them into successful lives, and working adults believe that going back to school will help them retool for the new economy. In an era when postsecondary education is almost required for secure access to the middle class, success in college is a requisite for serious upward mobility, and failure to graduate from college is a gigantic barrier to all future endeavors. For much of the twentieth century, a high school education was similarly important, and there was a vast expansion of free public high schools offering pathways to middle-class jobs. Colleges grew as the GI Bill veterans of World War II enrolled, and next came the vast expansion of free or low-cost community colleges and regional public universities. These institutions offered affordable tuitions, and the federal government invested in a large federal scholarship program, complemented by the work-study program, offering college degrees at a modest price. These investments expanded college opportunities and made higher education accessible to millions in a society with rising family incomes.

But since the 1980s, policy and economic changes have greatly increased the barriers to higher education even as it has become even more important for success. The extreme complexity of the higher education system and the growing stratification of the society and polarization of its politics have made policy making both more critical and far more difficult. The earlier expansion was fueled by rising public resources, but policy making since 1980 has had to cope with the impact of a succession of massive state and federal tax cuts that have shrunk the public sector even as the costs of health care, an expanding criminal justice system, and a large increase in the elderly population have made larger demands on diminished public resources.

Higher education, which is dependent on state governments, has been especially vulnerable. In a society with a near-universal wish for college yet limited resources, political pressure requires responses, but fiscal realities mean that those responses will not be adequate. And in a society where most of the children are now non-White and very far behind in college completion, the racial dimensions of these challenges are critical. Policies targeted at helping minorities have been highly controversial, and the issues are often ignored. Too many families have to face failure when they tell their children that there is no way for them to go to the college where they could succeed, or that their only choice is a community college where few succeed, or that going into the military and facing war is their only chance to someday go to college.

With such inadequate resources, there need to be ways to allocate scarce opportunities. Much of that happens through adoption of rules and regulations controlling access to different kinds of colleges and allocating assistance that makes it possible to afford choices. From the perspective of state and federal policy makers, it is about getting more done for less and wasting less money (and limiting bad debts) on programs with poor success records. This tends to be expressed in regulations and aid criteria that try to foster what the officials see either as positive policies and results that should be rewarded or as failed policies that should be sanctioned or changed. When there is a serious scarcity of funds, the ways policy makers go about designing rules and regulations become even more powerful, because they are able to set priorities that allocate opportunity without explicitly acknowledging who loses. Such policies can be adopted at the federal, state, or institutional levels, and students and families are affected by a mixture of all three.

In the Obama administration, for example, there was a major effort to expand federal authority through rule making and regulation that promoted consumer protections, pressured institutions with low outcomes scores, and sharply cut funds to private for-profit universities with weak records. But its strategy was sharply limited by congressional Republicans. In the succeeding Trump administration, the focus has shifted to proposed budget and program cuts that would implicitly regulate access, to greater deference to state priorities, and to policies more favorable to the private for-profit sector. Yet, there were no serious debates about the racial impacts of these decisions. And in an intensely stratified society where higher education is one of the only ways to make intergenerational progress and where minorities have always been far behind, these issues have huge consequences.

When, with a Republican Congress, the Obama administration reached a dead end on major legislation, such as its ambitious plan for community college aid, it focused on accountability strategies to get more results from public resources. However, the strategy of the Trump administration appears to be to relax the consumer protections and institutional accountability efforts that Obama found to be severely damaging for disadvantaged students. Instead, it will seek to transfer functions of the gigantic federal student loan program from education officials to the Treasury Department and sharply reduce the scope of aid available to disadvantaged students through several programs that have been important for decades. There is a proposal to end the policy of deferring payment of interest on student loans while students are still working on their degrees, which could create an earlier fiscal stress on low-income students. And policies granting loan forgiveness for public service employees are also under attack, which could result in a disincentive for people to pursue public-sector careers and would break a promise to those who have entered public service. Within this context, states will play a more central role in regulating colleges according to their own performance metrics and students' education outcomes.

Unfortunately, neither of these two very different approaches to accountability has seriously taken into account the racial consequences of these decisions for students of color. Although the society is profoundly polarized, and policies are certain to have differential impacts, the policy developments continue to proceed as if this were not the case. The higher education policy dilemmas that led to the Obama administration initiatives and to those of a number of state governments were rooted in very real problems. Hard choices were strongly shaped by long-term trends in state and federal gov-

ernment resources, priorities, and politics; convictions regarding federal versus state responsibility; and beliefs about the conditions of racial and ethnic inequality in public schools, communities, and families. They reflected the frustration at both the state and federal levels generated by an inability to respond to all demands for help and a search for defensible strategies. Massive tax cuts by successive conservative federal and state administrations and growing mandatory costs of health care, incarceration, and the needs of public schools, as well as vast unfunded retirement payments and other nondiscretionary costs, had eaten up much of the available funds. Three great forces—lower revenues, declining economic mobility, and an intensified demand from all sectors of society for access and aid—produced a chaotic jumble of policy and portended out-of-control costs.

Eventually the pressures on a poorly designed patchwork of policies unable to meet the demands of large segments of the population led policy makers to do things that made little sense in terms of equity but gave at least the appearance of action. Since it was easier to win congressional action through tax subsidies than direct expenditures, one solution involved giving entitlements to the more privileged sectors of society most able to actually pay for college, families that understand tax loopholes; but tax-based subsidies do not work for families with little tax liability. At the same time, policy was falling seriously behind in making four-year college possible for those at the bottom. No one wanted to make a bad situation worse, but some of the only policies that could be pursued without money had the unintended consequence of doing that—policies like raising entrance requirements, awarding aid only to those with high grades and test scores, and eliminating remediation. Unfortunately, it often appears to be easier politically to implement policies and rules that turn out to disproportionately aid students from families of high socioeconomic status, particularly when such policies can be framed as raising standards or eliminating waste.

With no clear leadership from the world of higher education, since each sector tried to protect its part of the shrinking pie, it was nearly impossible to take any bold action in favor of equity for the groups in most urgent need of mobility and least able to pursue college opportunity without major support. No clear program developed, and without fundamental restructuring of policy and alterations in the operation of many institutions, the dominant pattern remained one of distributing something (or the appearance of something) to all sectors.

To understand how we arrived at this juncture where crude methods of accountability became a central policy and where policies were commonly developed with little or no serious consideration of their racial consequences, it is important to examine the history of this deepening crisis and the links between policy and cycles of political change.

### **INCREASING BARRIERS TO COLLEGE ACCESS**

US higher education policy changes take place within a policy and social context that has undergone major change. From the mid-1960s to the early 1970s, college was affordable, students could earn their way through public universities, admission to the great majority of schools was not very competitive, and the states were supporting and rapidly expanding colleges. The United States was still the world center of industrial production, and there were millions of unionized jobs paying family wages, so higher education was not needed for many middle-class jobs. The US led the world in the share of its residents who received affordable higher education; it was the nation that invented the idea of mass higher education in high-quality public universities that were affordable for millions. The US was a society with a very large White majority with a small, largely European immigrant population and an expanding middle class experiencing substantial gains in real incomes. But all of this was about to change.

During the civil rights revolution, higher education policies and regulations focused on racial equity. Most selective colleges enrolled significant numbers of students of color for the first time in their history through implementation of affirmative action plans and policies to support students of color with weaker preparation. Under the 1964 Civil Rights Act, affirmative action was imposed on segregated, mostly southern universities in the nineteen states that had long operated separate Black and White public colleges that violated the Constitution. Voluntary affirmative action was adopted by the great majority of elite private and public campuses outside the South, almost none of which previously had significant non-White enrollments.<sup>1</sup> US colleges had record numbers of non-White and poor students by the mid-1970s, following the creation of federal grants for low-income students and the Johnson administration's War on Poverty programs, including Upward Bound, which was designed to recruit and support students from groups that had previously been largely excluded from college.

But since the late 1970s, when California's Proposition 13 drastically cut taxes and the US Supreme Court narrowed affirmative action in the 1978 *Bakke* decision, barriers to college access have sharply increased. Also, tax cuts, which became widespread in the late 1970s and 1980s, worked to lower the priority of higher education in state budgets hit by rising health-care and prison costs. These cuts were expanded in the 1990s when states began adopting tax and expenditure limitations ("Taxpayer Bill of Rights" laws), which disallowed states from increasing their budgets beyond inflationary and population growth rates. Colleges responded to severe cuts by slowing or stopping expansion and continuously shifting the financial burden to the students and their families, which they saw as the only possible source of major funds. State officials unwilling to raise taxes put the colleges in a position where their only option was to heavily tax the students through tuition raises, which, in turn, focused the blame on the colleges rather than the legislatures.<sup>2</sup> Financial aid was cut, tuition rose sharply, and the Federal Pell Grant, which depends on annual appropriations, covered a much smaller portion of soaring college costs. And the same state governments that reduced their support of higher education tried to shift the blame for the resulting problems onto the colleges by demanding more accountability, implying that colleges were wasting money and, under pressure, could make more progress without additional money.

Declining civil rights efforts to include historically excluded groups through affirmative action presented another barrier. The *Bakke* decision upheld the idea of affirmative action but seriously limited it.<sup>3</sup> Major changes under President Reagan widened the gap between costs and aid and deemphasized civil rights. Affirmative action enforcement was cut back, and high schools became more segregated and unequal as the Supreme Court abandoned desegregation policies.<sup>4</sup> Since the mid-1990s, nine states have outlawed affirmative action, and in 2014 the Supreme Court accepted the legitimacy of referenda writing affirmative action prohibitions into state constitutions.<sup>5</sup>

The tide of immigration from Latin America peaking in the period from 1980 to the Great Recession transformed the college-age population. The Latino population soared, and the proportion of White young adults fell sharply. After the baby boom, the United States saw a substantial decline in White birth rates and a vast and unprecedented immigration of poorly educated Latinos. A number of the most important states for Latinos were those

that limited access to four-year colleges, forcing many students from weak minority high schools to begin in weak community colleges.<sup>6</sup> Black and Latino students attended increasingly isolated and unequal K–12 schools as school segregation reached a fifty-year high, concentrating students of color in schools that seldom prepared them well for college. The access problem was especially serious in the two largest states, California and Texas. In many states, undocumented students had a right to free public schools, established by the Supreme Court in the 1982 *Plyler v. Doe* decision, but were ineligible for any federal aid in public colleges. Population changes bringing in millions of low-income non-White families accelerated just as the country was turning in a far more conservative direction, cutting college budgets and raising barriers to higher education. The door was closing as the need grew, and families of color did not have the options available to families a generation earlier. In some states the failure to serve the expanding communities of color threatened to lower average education levels, even as employers were seeking stronger credentials. The largest growth of potential college students was among groups that were most behind in college completion: Latinos, followed by African Americans. Colleges were operating in a very rapidly changing society.

### **A SHIFT TOWARD THE MIDDLE CLASS AND ACCOUNTABILITY**

In the political world, successive presidential victories by strong conservative presidents who won large majorities of the White vote led the Democratic Party to moderate its goals and shift its focus from poor and non-White students to less progressive policies providing more aid to middle-class families. Most American middle-class families were deeply worried about college affordability, which made it an important political issue. The “New Democrats” who created the Democratic Leadership Council (DLC) in 1985 deemphasized race and class issues and focused on working families and the middle class, not the poor, who vote less and have little representation by lobbies. The DLC provided the framework for the Clinton presidency and deeply influenced Obama-era policies.<sup>7</sup>

Higher education policy changed as both parties competed to help middle-class students and their families. In 1978, President Jimmy Carter, a southern moderate, signed the Middle Student Assistance Act, which began the process of moving a large share of federal subsidies from the poor to the middle class. Under Ronald Reagan and George W. Bush, Congress tried to

do something for everyone in spite of huge tax cuts, but the result was a confusing and inefficient mix of programs and large poorly targeted subsidies through the tax system. And both Presidents Clinton and Barack Obama signed costly tax-subsidy programs that disproportionately helped middle-income and high-income borrowers. Political pressures pushed toward policies that sustained rather than challenged social stratification.

So while there was widespread demand for more aid and lower costs, there was no willingness to give colleges significant increases in public funds from the states, which historically supported much of their operating costs. A growing share of college budgets began relying on high tuitions paid with the proceeds of student loans, since families lacked savings to pay the rising costs. And a number of states shifted more of their aid away from poor students to middle-class students with high grades, even if those students had no financial need.<sup>8</sup> These “merit scholarships” were highly popular with the families whose children received them, but they took money from need-based programs that allowed low-income students to attend college. Many private colleges directed much of their aid to giving “tuition discounts” to attract students. For low-income minority students, often the only path was from inferior high schools segregated by race and poverty to weak community colleges with low graduation and transfer rates. This was usually a dead end, however, with students often exiting with no credential and significant debt.

After 2000, as tuition and loans continued to climb, federal policy makers grew increasingly concerned about the reliance on loans as a growing number of students were failing to repay their debts, especially low-income students from the least selective colleges. This introduction of serious risk into the federal loan system has created great pressure to do something to control it. But too often the result of all this pressure has been a difficult-to-understand set of compromises that seem to offer something for everyone but, in reality, actually reinforce persisting inequalities. The government offers tuition aid for needy families but often not enough to create actual access to four-year schools. So while opportunity is seemingly created, the gaps in aid packages often remain impossible to cross. For a family without resources, credit, or an understanding of complex policies, there often is no option but the nearest community college, which substantially reduces the chances of the student ever obtaining a bachelor’s degree independent of a student’s ability and widens the gaps in college completion based on family income.<sup>9</sup>

## DEEPENING ECONOMIC AND RACIAL INEQUALITY

Today, the family income and wealth necessary to afford good precollege preparation and college costs are more unequally distributed than they have been for many years.<sup>10</sup> Millions of families have little or no savings or net wealth and are seeing their real incomes declining, so there is no way that they can contribute significantly to the college costs that are several times higher (in constant-value dollars) than they were a generation ago.<sup>11</sup> When more than half the families in major regions of the United States, including the entire South, the largest region, lack the income to pay for school lunches, how likely is it that they can make any real contribution to college? Many parents actually need help from their children, even as they are struggling to stay in college.

The Federal Pell Grant is the only broadly available, need-based source of grants, but it pays far less than a fifth of the average cost of attending a public four-year college, and it is programmed to decline as a share of costs. In 2015 House Republicans repeated a call to freeze the Pell Grant for a decade, as costs continued to rise.<sup>12</sup> Early in the Trump administration the grants have not been cut, and there is a plan to restore summer school aid, but key support programs have been proposed for elimination or severe cuts.

Controlling for inflation, the average cost of four-year colleges is now four times what it was in the early 1970s.<sup>13</sup> As costs have soared, institutional scholarship resources for the students most in need have fallen far behind the rising costs, and campuses faced with a severe fiscal squeeze are spending money on “enrollment management” strategies to bring in more students able to pay rather than focusing on attracting high-need students. These strategies often involve offering modest scholarships to high-scoring students who can pay most of the costs rather than adequately funding the much more expensive students who can pay very little and need extensive aid and remediation.<sup>14</sup>

Getting more high-scoring students also improves a college’s prestige and helps draw more high-achieving students who don’t need aid. Many public universities are actively recruiting and admitting out-of-state and international students who pay much higher tuitions. Giving tuition discounts to students without financial need helps colleges gather 80 percent of a high out-of-state tuition, while a poor in-state student needing remediation raises costs. Most colleges simply do not have the resources to fund the very substantial need and remediation of poor students.<sup>15</sup> This is seen not as a matter

of preference but as a necessity for colleges whose finances are threatened by not meeting their enrollment goals. An accountability system focused on equal opportunity should reward rather than punish schools that admit low-income students even though they have problems that contribute to lower and slower average graduation outcomes. (And that is, of course, far more expensive than simply blaming them for low completion rates.) However, there is no national accountability policy for helping low-income and minority families increase their access to college or for developing new major assistance programs.

Struggles over affirmative action and race-conscious support policies, essential to integrating student bodies and faculties, continue to stir controversy, reaching the Supreme Court for the fourth time since 2000 in yet another challenge to the University of Texas.<sup>16</sup> In June 2016 the Court decided a key case, *Fisher v. University of Texas II*, and its decision surprised many observers by supporting affirmative action. However, President Trump began to move the Court in a conservative direction with his appointment of Neil Gorsuch and with active opposition to affirmative action, at risk again in pending cases against Harvard University and the University of North Carolina.<sup>17</sup> Student support services were slated for serious cuts in Trump's budget, and the popular work-study program, created more than a half-century ago, faces presidential proposals for drastic reductions.<sup>18</sup> There are working models of strategies to increase college-going and success for disadvantaged students, but most require significant resources and a serious long-term institutional commitment.<sup>19</sup> There is no willingness at either the national or state level to dedicate resources toward substantially expanding these efforts during a period when colleges often lack essential funding for basic campus functions. In other words, the social and political context in which the accountability policy issues are being developed is one of self-perpetuating inequality and fiscal straightjacketing in which four-year colleges become only a dream for many.

## THE CIVIL RIGHTS DIMENSION OF ACCOUNTABILITY

In the United States today, higher education is more important than ever in determining life chances, and economic and social mobility are significantly lower than in many peer nations.<sup>20</sup> Deep gaps in income and wealth perpetuate education inequality for racial and ethnic minorities. College access and success are basic civil rights issues in our changing society. Yet, although

half of America's public school students are now from racial and ethnic minorities, and education success has always been profoundly unequal, there is little serious focus on policies that could remedy the segregated and unequal preparation for college.

Studies using federal data repeatedly show that US students of color are increasingly segregated in low-achieving, concentrated-poverty high schools.<sup>21</sup> School segregation intensified as the courts adopted colorblind policies which assumed that race could be ignored. As a result, many of the schools serving students of color were punished, or even dissolved, for their "failure" to achieve certain outcomes, provoking many qualified administrators and teachers to avoid working in such schools where they would likely be blamed for inequalities that were there long before they or the students had entered the schools.<sup>22</sup> And if Black or Latino students are only a seventh as likely as White or Asian students to be in strong high schools, as recent California research shows, the colleges those students attend are challenged to educate students with systematically unequal preparation.<sup>23</sup> Ignoring unequal preparation is a fatal flaw in designing policies for equity. President Johnson noted the dilemma in his 1965 Howard University speech: "You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say you are free to compete with all the others, and still just believe that you have been completely fair."<sup>24</sup> This consideration needs to be made in designing college accountability policies.

In a deeply polarized society, failure to think systemically about issues of race and poverty when formulating policy compounds inequality in many arenas. If, for example, we build subsidized family housing in a community with very bad schools segregated by race and poverty and dangerous streets, we may solve immediate housing needs for families but doom their children's future. It would be much more effective to also think about how putting subsidized housing in healthy, diverse communities gives students from poor families of color access to positive exposure to peer groups and stronger school opportunities. Ignoring the context of race and other institutions can waste scarce funds and unintentionally harm the children. Historically, we built many expensive high-rise public housing projects that turned out to be social catastrophes, totally isolating tenants in a syndrome of disadvantage—projects that did nothing to prepare the next generation for the social and economic mainstream and that we had to blow up because they ignored the realities of communities and lives.<sup>25</sup>

The same thing happens with education policies. Racial inequality is multidimensional and persistent. It is such a fundamental dimension of society that it must be carefully considered in designing policies; otherwise, well-intentioned policies can undermine institutions that are actually having strongly positive impacts. That happened often in *No Child Left Behind*. Many schools in non-White neighborhoods were closed and their teachers fired because their incoming students were so far behind before even beginning school. The accountability standards did not measure what difference schools actually made but instead falsely assumed that all schools deal with similar challenges.<sup>26</sup> Whites and more affluent residents tend to deny the persistence of unfair racial disparities and assume that there is little need to consider the fundamentally different contexts in which students receive an education.<sup>27</sup>

These differences in perspective often produce well-intentioned policies that only deepen already-severe inequalities and blame the institutions that try to serve those starting at the bottom. This book aims to show how failure to consider the basic system of stratification often can intensify rather than resolve the inequalities even when there is no intention of doing that. It shows how good intentions, and seemingly plausible regulations, can have perverse effects and attempts to point policy development in directions that would help equalize higher education opportunities.

## **HIGH-STAKES ACCOUNTABILITY RESEARCH**

High-stakes accountability strategies based on a limited number of imperfect measures are often described as important breakthroughs by their advocates because they appear to be precise numbers and express a commitment to accountability. But they can be highly misleading. Since the public school accountability initiatives of the Reagan administration and many states in the 1980s, the idea that institutions need strict evaluation and tough sanctions has become a basic element of education policy discussions. After more than three decades of this approach, reaching its peak in the *No Child Left Behind* and *Reach for the Top* federal programs, vast numbers of American schools were branded as failures. There was virtually no resistance in Congress when those programs were abandoned and when the federal role in education was greatly limited and vast authority and discretion were turned over to state governments in the *Every Student Succeeds Act* of 2015. And many state education agencies contend with the same disputes. The devel-

opment of sound and fair assessments seems, at first glance, to be relatively simple. But it actually requires accurate data, some of which do not exist, and appropriate interpretation so that institutions are evaluated for what difference they make, not for conditions that are beyond their control.

The authors of the new studies in this book find that the approach of using existing data is poorly targeted and could create severe problems for minority-serving institutions (MSIs) and the many minority and low-income students who have experienced much weaker precollege education. This raises a very serious civil rights question: Even without financial sanctions, do accountability reforms disproportionately harm schools or mislead consumers they are intended to help by discouraging enrollment and cutting support from state and private donors, thereby leading to regrettable unintended consequences?

The research in this volume operates at the intersection of accountability and civil rights, where authors carefully diagnose the source of education inequalities and offer alternative ways state and federal policy makers might hold colleges accountable without reinforcing inequality. They explore what factors are related to graduation rates and find evidence of very large impacts from experience before college and the financial situation of students' families. They find that MSIs do have a substantially lower graduation rate than other institutions but that they are disproportionately important for the education of minority groups that have always had unequal access to college and unequal success in higher education. Some of these institutions have graduation rates far lower than the national average—How should they be judged? Will accountability and sanctions be an effective solution to this inequality, or would the consequence be to make higher education still more unequal?

The authors explain why policy makers need, at a minimum, the appropriate data infrastructure to design better accountability systems. But more importantly, each chapter presents innovative analytical techniques that can help expand the way policy makers go about evaluating institutional performance data. Using input-adjusted performance metrics, variance decomposition, frontier analysis, and geospatial analysis, policy makers may find new tools to help design regimes that are able to account for many of the inequalities presented here. This book includes the work of a number of leading researchers who explore the predictable—and avoidable—consequences high-stakes accountability regimes have on reinforcing racial and economic inequality.

### **Minority-Serving Institutions Are Especially Vulnerable**

There are three kinds of schools that are minority-serving institutions, as described in chapter 3 by Marybeth Gasman, Thai-Huy Nguyen, Andrés Castro Samayoa, and Daniel Corral. The first two are institutions that, historically, were created to serve Black or Native American students with a central mission to educate young people from those backgrounds, and they are run largely by people from their racial or tribal group. The third kind of MSI has more than a specified threshold number of students from underrepresented minorities. These are mostly Hispanic-Serving Institutions (HSIs), but others serve substantial groups of Blacks or Native Americans. For these colleges, recognition as a minority-serving institution is purely statistical and usually has nothing to do with their history or original mission, although this mission has now been adopted by some. There are colleges actively seeking out students of color and creating special programs and support systems for them; others merely happen to have these students and apply for associated funding.

The oldest MSIs are those founded by churches, philanthropists, and state governments to educate former slaves after the Civil War. The second Morrill Act in 1892 provided for state universities and accepted the “separate but equal” policies in the nineteen states that established separate colleges and profoundly unequal schools for Black students. Gasman and colleagues find that MSIs enroll about a fifth of all US students and that most of their students receive Pell Grants, so they are very dependent on eligibility for federal funding. These colleges tend to cost much less than the national average, in part because almost half of them are community colleges that draw many students from nearby heavily non-White communities, and they account for a disproportionate share of male graduates of color.

Since MSIs are institutions serving a large share of the college students who graduated from weak high schools and from families with far fewer resources, their students tend to take longer to graduate and graduate at lower levels. Thus, these schools, which produce a very substantial share of graduates of color, face special challenges. They usually have little money and are highly tuition dependent, and their low-income students make them particularly vulnerable to state and federal accountability ratings that are blind to the obstacles facing students of color. They also usually have much smaller per-student budgets. A colorblind accountability policy using unadjusted statistics could easily end up hurting these institutions and may even

encourage them to screen out the very students these institutions best know how to serve.

Accountability regimes that fail to account for the racial and economic inequalities students face before ever entering MSIs will do little to reverse them. Drawing on a very rich data set from Texas, Stella Flores, Toby Park, and Dominique Baker offer in chapter 5 a solution for how policy makers might adjust for these differences. Though the federal data infrastructure makes it nearly impossible to conduct such analyses, Flores and colleagues use a rich state-level data set from Texas to examine the extent to which noncollege factors contribute to college outcomes. Their research shows that unequal precollege preparation is powerfully linked with unequal college outcomes; in fact, college characteristics account for only about one-third of college outcomes. If most of the outcomes are accounted for by things outside the control of colleges, then it is impossible to evaluate the contribution of colleges without statistically controlling for such massively important factors. Failing to account for this in an accountability regime will only reinforce inequality and unfairly penalize colleges for serving students who are products of our nation's unequal K–12 education system. But to make such adjustments is beyond the reach of existing data sets at the federal level and in most states.

In a similar study, Anne-Marie Nuñez and Awilda Rodriguez explore in chapter 6 whether it would be possible to adjust the graduation rate metrics to take into account factors outside the control of colleges. Using the federal IPEDS (Integrated Postsecondary Education Data System) data on colleges and universities, they adjust graduation rates according to financial aid data, enrollment data, and budgets for bachelor's-degree-granting HSIs, analyzing data from ninety-eight institutions. The study concludes that once "differences in institutional and student characteristics are accounted for, HSIs perform on par with their non-HSI counterparts." In other words, all of the apparent relative failure of these institutions is due to things beyond their control. From this perspective, policy makers should consider the possibility that policies themselves, and not necessarily colleges, are part of the accountability problem. An accountability regime that fails to use statistical adjustments will unfairly penalize colleges by overlooking the positive outcomes they produce.

In addition to regression adjustment analysis, Sylvia Hurtado, Adriana Ruiz Alvarado, and Kevin Eagan offer in chapter 4 a new way to analyze and measure institutional performance. Using a frontier analysis, they dem-

onstrate a new way to statistically adjust performance metrics that consider student background and institutional resources. By using this technique, there are a number of MSIs whose outcomes appear to be superior to those found for similar students at more affluent colleges. They show that these institutions play an especially critical role in producing graduates of color and conclude that these institutions should receive special rewards for their success in the face of very difficult challenges rather than be rated poorly by the federal government. Across these chapters, a key lesson is that federal and state policy makers will need to make better data available to conduct these types of studies while also designing policies that adjust for these deeply rooted inequalities.

However, no adequate data exists to validly make these adjustments at the college level. And with an administration far less likely to expand federal data requirements than Obama's, these flaws limit any Trump administration effort to do so.

### **Accountability Regimes and the Illusion of Choice**

Many states with big metro areas also have large rural sectors where the population has been declining for a half-century or more, and these areas are having a hard time supporting colleges and other needed services. A fundamental component of modern accountability regimes rests on the market-based belief that information and sanctions will foster competition, which in turn will help students make more informed choices about where to enroll. There are big areas of the country, however, where colleges are scarce. This means not only that there isn't a competitive market, but, if report cards or sanctions force the local college to close, there may be no higher ed opportunity at all.

In chapter 7 Nicholas Hillman shows that in these "education deserts" there are no real choices, and a sanction shutting down the local community college could simply eliminate any affordable public option for the low-income, and often minority, students who live there and cannot afford the much higher costs of a residential college. Many students are place bound (most community college students live within thirty miles of their school), and the level of enrollment is clearly related to proximity; it is much cheaper to live at home. Eliminating options or aid for students attending these schools would mean sharp drops in enrollment and institutional income, which further perpetuate education inequality in areas that are already struggling.

### **Financial Aid System Flaws**

Sara Goldrick-Rab and Jason Houle argue in chapter 9 that the financial problem the government is trying to address with accountability measures is actually not caused by colleges and cannot be fairly addressed with accountability measures. They argue that what such measures treat as a symptom of college mismanagement or inefficiency is actually a fundamental problem of an increasingly unworkable financial aid system. The grant aid is too small for many families, and the only alternative is government-insured loans. Because disadvantaged students have less chance of finishing and earning enough to repay their loans, the government faces increasing losses as more loans default. In response, the government is taking steps that pressure colleges to condition loans not only on the student's need but, implicitly, on an estimate of the student's ability to repay, much as a bank would do. This, of course, would change the nature of the commitment to aiding students with need that has been a central element of federal aid for fifty years. Moves in this direction, such as the Parent Loans for Undergraduate Students (PLUS loan) program policy changes, may have already made the long-term crisis of minority college completion even worse.

Willie Kirkland takes a closer look in chapter 8 at the PLUS loan and the fiscal situation of students and families at Dillard University in New Orleans. A 147-year-old African American college committed to helping disadvantaged Black students, Dillard is still struggling to recover from severe damage from Hurricane Katrina. The hurricane destroyed substantial parts of the campus and caused a dramatic drop in enrollment, which triggered major cutbacks, including sharp cuts in full-time faculty. Ninety percent of incoming students at the college need financial assistance, and only one-fourth of those students receive enough in grants and loans to cover their costs. The rest have unmet need that neither they nor their families can cover. After all sources have been tapped and student loan eligibility for aid exhausted, the Dillard officials recommend PLUS loans to the parents or guardians, an undesirable but inescapable challenge for many families who have no lending alternatives. The Obama administration substantially raised the credit standards for the loans because of the risk, but this meant that in 2012–13, 80 percent of the Dillard parent applicants for PLUS loans were denied because of the policy change. The next year 73 percent were denied. This resulted in a notable decline in enrollment at a school that was still struggling to recover from Katrina's devastation. In this case, accountability policies that appear to be helping students afford college may indeed

be doing just the opposite and may create new problems, such as encouraging students to drop out or having disproportionate impacts on Historically Black Colleges and Universities and other MSIs.

### **State Accountability**

We are a country with fifty different state systems of higher education, and within each there are many individual colleges and sometimes several state coordinating agencies for more- and less-competitive universities and community colleges. These systems have widely differing policies on the state contribution to college operations, about state aid to students, and many other issues. But there have also been very broad patterns of cuts in the state share of college costs. In 2015, after recovery from the Great Recession, the decline from the pre-recession level of state funding was still 15 percent.<sup>28</sup> State policy makers have often responded to concern about costs and complaints about the low graduation rates on many campuses by linking the state funding that still exists in one way or another to student outcomes. The governing idea, much like the Obama proposals, is that accountability will spur efficiency and increase graduation rates.

As Nicholas Hillman and Valerie Crespín-Trujillo report in chapter 2, almost two-thirds of the states have such policies, and, as one would expect, they vary widely. In some states, they are adjusted to try to more accurately assess what difference the colleges make, not how selective they are in admissions. Others are simple outcome measures giving the most credit to those who get the best students and the least to those who offer a chance to the students with the fewest opportunities. It is very important for those trying to figure out the future of higher education opportunity to understand, evaluate, and bring together information from across the country about these measures. They will create either obstacles or incentives and support colleges trying to do the right thing to expand opportunity and to increase the productivity of our education system. Many of the problems explored in studying the federal measures are directly applicable to debates in the states.

In chapter 2, Orfield explores and draws lessons from the experience of the Obama administration in trying, with limited resources, to create a college information system intended to inform students and families about some key aspects of college success, costs, and job placement. The goal was to inject some serious accountability into the higher education system, but it had to be done without congressional support and with only the data that the federal government was already collecting from the nation's col-

leges. The country's higher education leaders and scholars raised serious challenges to the effort, which faced some of the same kinds of problems in holding colleges accountable for outcomes that were often more rooted in the inequality and segregation of the society and the public schools than in anything colleges had control over. But the administration persisted and created the nationally publicized College Scorecard, which has been widely used in spite of its limitations. The chapter discusses how this issue evolved within a frustrated administration wanting to make much larger changes in higher education than were possible once it lost control of Congress in the 2010 midterm elections.

## CONCLUSION

As college access became a more visible and urgent issue for American families, and as the federal role changed from helping low-income families gain access to trying to help everyone within constrained budgets, presidents, governors, Congress, and state legislatures tried to respond with a complex set of grants, loans, and tax credits amid growing and conflicting demands. Gaps grew in student funding that introduced huge obstacles for the many families without significant savings, income, or wealth. Once the door had been opened to federal college subsidies for the middle class in the 1970s, the efforts to provide some kind of subsidy for everybody facing soaring tuition created increasingly incoherent and arbitrary policies and vested interests in maintaining them. What was left over for the poor was seriously inadequate. There was not enough money to provide Pell grants that covered even a fifth of the actual cost of attending a median four-year public university. But the overall federal cost increased substantially, and the states were shifting the burden to students. The feds were expected to help the students pay, but federal funds covered only part of the need, and student loans mushroomed, some beyond the capacity of former students to repay.

In its early days, the Obama administration used bailout funds for a substantial increase in aid but, later, without money, turned toward accountability and sanctions. Many state governments slashed their funding for colleges in the Great Recession and did not restore it but demanded more of campuses, usually not taking into account the extreme variation in student background and college missions and resources. The failures of fourteen years of high-stakes accountability with No Child Left Behind for public K–12 schools did not prevent policy makers from devising decontextualized

assessments for colleges based on similar theories. College and state governments continued raising tuition, President Obama's proposals for new programs died in Congress, and there were funding cuts dealt in a succession of budget deals with Congress. Frustrated, the administration doubled down on the accountability and competition approach in spite of strong opposition from the nonprofit and public higher education communities and an increasingly hostile Congress. With resistance, it was only able to institute its College Scorecard.

The 2016 presidential election brought a sharp turn to the Right, and the Trump administration shifted policy-making authority much more to the states and reduced regulations for the private for-profit colleges and weakened civil rights enforcement. In the meantime, the states confronted many accountability challenges on their own, since most were short of funds and looked to receive less from the federal government. They faced many of the same issues that muddled the Obama initiative.

Though the GOP took control of the presidency and both houses of Congress in the 2016 election, the Senate majority was too small and focused on other issues to make major legislation outside the limited reconciliation process. And serious divisions among Republicans added to the complexity. When President Trump proposed some significant immediate funding changes in early 2017, Congress ignored most of them and enacted a spending plan for the rest of the fiscal year that continued existing programs. Fortunately, the education committees in Congress have a tradition of significant collaboration across party lines.

The basic policy landscape continues to be dominated by the clash between families' needs and colleges' search for needed revenue in the face of severely constrained budgets. Policy making is rich in rhetoric but poor in both resources and coherent priorities. In this crossfire, the shift of blame to the universities and the families through accountability policies remains attractive to some in both political parties, with Republicans focusing on the state level. The systematic analyses of the racial equity consequences of accountability policies in the following chapters document unintended consequences of these high-stakes policies. As studies demonstrate, high-stakes accountability without consideration of the background and resources of students and campuses is likely to make our higher education system even more unequal. Equitable accountability requires facing the issues our colleagues explore in their pathbreaking work.