Duncan Calls for Urgency in Lowering College Costs

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Education Secretary Arne Duncan in a speech Tuesday pushed higher education officials to “think more creatively — and with much greater urgency — about how to contain the spiraling costs of college and reduce the burden of student debt on our nation’s students.”

At a time when the Occupy movement has helped push college costs into the national spotlight, the Education Department characterized the speech, delivered in Las Vegas, as the start of a “national conversation about the rising cost of college.” The department took the opportunity to call attention to steps states have taken to address the issue.

The widespread anger over rising college costs came into sharp focus Monday, with student protests in New York and California.

In New York on Monday, City University of New York students and their supporters held a raucous street protest, with signs saying “CUNY must be free” and “Abolish the board of trustees” as City University trustees approved a series of $300 annual tuition increases extending through 2015. At a protest in California, Cheryl Deutsch, a U.C.L.A. graduate student who heads the union representing student workers, confronted the university’s regents to extended applause. “You, as banker and financiers, real estate developers and members of the corporate elite, are not representative of the people of California, she said. “You are not representative of the students of U.C. You are the 1 percent.”

In his speech, Mr. Duncan left no room for doubt that the Obama administration was taking heed of the rising furor and the growing online debate about how much a college degree is worth at a time when there are so few jobs available for graduates.

“Three in four Americans now say that college is too expensive for most people to afford,” Mr. Duncan said. “That belief is even stronger among young adults — three-fourths of whom believe that graduates today have more debt than they can manage.”

From 1995 to 2007, the net price of college for full-time undergraduates, adjusted for inflation, rose 48 percent at for-profit schools, 26 percent at public two-year institutions and 20 percent at public four-year institutions.

College seniors with loans now graduate with an average debt load of more than $25,000. But even as college has become more expensive, Mr. Duncan said, it has become an increasingly important investment, since those with bachelor’s degrees, on average, earn about a million dollars more over their lifetime than those with only a high school diploma.

Mr. Duncan acknowledged that cost containment was not a simple matter, given that college presidents are simultaneously working to increase quality and access. And he also recognized that the public institutions that educate three-quarters of the nation’s students

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have had to raise tuition as state legislatures, faced with budget shortfalls, have cut their support for higher education.

Mr. Duncan promoted the Obama administration’s success in increasing student aid and making student loan debt more manageable, through expanded income-based repayment plans and a new debt-consolidation program.

“A decade ago, the federal government provided a third of undergraduate grant aid,” he said. “Today, we provide half of all undergraduate grant aid. In the last three years alone, the number of Pell Grant recipients enrolled in college has jumped by almost half, from 6.2 million to roughly 9 million. In the same time frame, the value of total grant aid and federal loans per student increased by about 30 percent in inflation-adjust dollars.”

He said the “underappreciated changes to the American Opportunity Tax Credit” in 2009 led to a huge jump in tax credits and tuition deductions, and since 2009, the number of Free Applications for Federal Student Aid — known as Fafsa, the first step in applying for federal aid — have shot up almost 50 percent “thanks in part to our simplification” of the application form.

In his speech to financial-aid administrators, Mr. Duncan also discussed the department’s work with the Consumer Financial Protection Bureau to create a financial aid shopping sheet, or model disclosure form, to help students understand and compare the type and amount of aid in different aid packages, and the department’s new watch lists, required by Congress, showing which colleges have the highest and lowest tuition and net prices.

He also lauded those colleges, universities and state programs that have cut tuition — few enough that he was able to mention by name almost every effort — and increased educational attainment, while lowering costs.

He cited, for example, Duquesne University in Pittsburgh, which is offering a 50 percent discount on tuition and fees for freshmen who enroll in the school of education; the University of Oregon’s PathwayOregon, guaranteeing a tuition-free education to qualified Oregonians from low-income families; and, in West Virginia, the University of Charleston’s plan to cut tuition 22 percent for next year’s incoming freshmen and transfer students.

He praised recent reforms like those involving Western Governors University, an affordable online, nonprofit institution whose students earn degrees not by putting in a set number of hours but through demonstrated mastery of their field; the National Center for Academic Transformation, which pioneered the redesign of high-enrollment courses at more than 100 institutions, substantially reducing their costs; and the Washington State Board for Community and Technical Colleges, whose Open Course Library provides curricular resources for the courses with the highest enrollment.

While such programs are now the exception, Mr. Duncan said, “I want them to be the norm.”