



The Daily Dish

Real Reforms to Higher Education

DOUGLAS HOLTZ-EAKIN | NOVEMBER 13, 2019

Eakinomics: Real Reforms to Higher Education

Colleges are facing mounting criticism on both sides of the ledger. Some question whether a college education is really necessary for everyone, while others point to the high and rising cost of a college education. As AAF's Isabel Soto and Tom Lee put it in their most recent [study](#), "Higher education is facing a confluence of challenges: tuition inflation, mounting student debt, and decreasing value in a changing economy." Unfortunately, the reflexive "solution" seems to focus on financing the college education — reforms to student loans, forgiveness of student loans, and so forth.

But that's not the only option. Soto and Lee focus on three reforms that would change the core value proposition in post-high school education: accreditation reforms, greater transparency, and innovative programs that build education into private-sector job training.

Accreditation traces to the 1880s and was initially a volunteer system designed to display the quality of education to potential enrollees. That simple function changed dramatically in the 1960s when federal aid to higher education (e.g., student loans, Pell grants, and so forth) became tied to being an accredited school. This accreditation is provided by peer schools that also want to continue to receive federal monies, so there is an incentive to "play nice" and make sure everyone gets accredited. So much for signaling a quality education.

Soto and Lee point to two accreditation reforms. The first is to break the link between accreditation and federal student aid, returning the purpose of accreditation to a pure measurement of quality that would enhance competition. The second would be to allow the private sector to enter the accreditation system. Firms and businesses could accredit specific degrees and programs. Linking the private sector and accreditation would signal which skills, programs, and degrees are the most valuable to the market.

On the transparency front, there is simply a dearth of information regarding the outcomes of students who attend different schools, study different majors, and take different courses. As it turns out, the federal government has such student outcome data but is legally barred from publishing it due to the Student Unit Record Ban contained in the 2008 reauthorization of the Higher Education Act. A simple reform would be to remove the ban and publish the data in a form that protects individuals' privacy but reveals high-value institutions and courses of study.

The final piece of reform is simply to acknowledge that a 4-year degree is not the only way to job-market success. The study reviews a variety of alternative approaches, but one particularly interesting concept is the Federation for Advanced Manufacturing Education (FAME). They note, "In 2005, FAME started its first program in Kentucky. What began as a partnership between Toyota and a single local community has spread across 12 states, currently serves nearly 750 students, and has engaged over 280 companies. FAME boasts an impressive 85 percent graduation rate, making it competitive with some of the best 4-year colleges in the nation."

Increasingly the higher-education sector looks like a problem child comparable to the health care system. As

with health care, real reform will not focus simply on how to pay the bill, but rather will focus on raising quality and lowering costs.