



Degrees and Double-Standards: Scoring the College Scorecard.

Delivered by Paul J. McNulty '80, president Grove City College, Nov. 16, 2015, The Heritage Foundation, Washington, D.C.

President Obama devoted his Sept. 12 weekly radio address to the topic of higher education and the roll-out of the administration's new College Scorecard. As you will soon hear, my concerns about this issue go to the very root of American freedom.

In making the case for this new form of government intervention into the marketplace of higher education, the president observed, "The choices that Americans make when searching for and selecting a college have never been more important. That's why everyone should be able to find clear, reliable, open data on college affordability and value ..." He cited graduation rates, job placement numbers and debt repayment information as just three important data points for higher ed consumers.

The president also criticized existing college ranking systems for not caring about affordability and student success, hence the need for the Department of Education to step in and clean up the mess. He proudly declared, "Americans will now have access to reliable data on every institution of higher education. You'll be able to see how much each school's graduates earn (actually, the data only pertains to recipients of federal financial assistance), how much debt they graduate with, and what percentage of a school's students can pay back their loans – which will help all of us see which schools do the best job of preparing America for success." (And, I must add, get started borrowing money from Uncle Sam with just a click of a button.)

So there you have it. "The goal is to help everyone," the president said. "The choices Americans make have never been more important...everyone should be able to find reliable data on college affordability and value...every institution of higher education is included."

Except, as we all know by now, that is not true. Grove City College, Hillsdale College and others have not been included.

If the Administration is so concerned about everyone, that presumably would include families looking for a private, academically excellent, Christian and highly affordable liberal arts college. Should not these consumers be able to use the Scorecard to learn about Grove City College, a highly-ranked college of 2,500 students that has been around for nearly 140 years? Consider this value-proposition:

1. The freshman to sophomore retention rate stands at 88 percent, compared to the national average of 80 percent.
2. The graduation rate is 82 percent, compared to the national average of 59 percent.
3. Ninety-five percent of last year's graduates were either employed or in graduate school within six months and their salaries are in the top quartile nationally, according to Payscale.com.
4. This year's tuition is just over \$16,000, far below the national average and making Grove City one of the most affordable highly-rated private colleges in the country.
5. Students pay back their loans about 99 percent of the time (which tells you a lot about their integrity and professional success) compared to the national average of 67 percent.



6. All of this is accomplished without taking a dime from federal taxpayers.

We are blessed with an amazing value. That's why Money magazine, Forbes and others have annually ranked the College among the best values in higher education. We believe in tight stewardship of our budget which keeps the cost down. We don't discount our tuition and force one set of students to pay for the education of others. And we have raised millions from generous supporters for scholarships based on both need and merit. Considering quality and cost, not to mention the savings to taxpayers, we're in fact the type of college the president should be promoting.

So, I ask again. If the goal is to help middle class families, do you think they would like to know about Grove City College?

Yet, if you look for us on the Scorecard, we're nowhere to be found. The Department of Education says we were not included because we don't accept Title IV funding – federal financial aid – yet we voluntarily submit data on our performance to the Department every year. I wrote to the DOE and asked for at least a notice on the Scorecard about our existence and a link to our website, but I have not heard back.

By the way, call me old fashioned, but just for the record: when we asked the DOE why we weren't included after the president said "every institution," they didn't say "oops, how did we miss that." Instead, they very promptly told us why we weren't included, which strongly suggests, of course, that they knew the president's statement was not true. I think that should trouble all of us.

But back to the main point. Conservative friends of Grove City College may wonder why we care about not being included in a government scorecard. Shouldn't we wear this snub as a badge of honor representing our true independence from the Department of Education? After all, our independence has been preserved and maintained at great financial cost over the decades, including a battle before the Supreme Court in the early '80s.

Very briefly, for those of you unfamiliar with our Supreme Court fight, here's the story in a nutshell. In 1977, the then U.S. Department of Health, Education, and Welfare (HEW) distributed a Title IX assurance of compliance form to all institutions enrolling students who received federal financial aid. Although equal opportunity was a fundamental value of Grove City College, our leadership was troubled by the form's fine print. By signing the form, institutions not only certified their compliance with the anti-discrimination statute, but they also submitted to all current and future federal regulation. In essence, the federal government wanted a signed blank check from the College. So we refused to sign the form and as a consequence we entered into a very expensive seven-year legal dispute with the government that culminated in the U.S. Supreme Court case *Grove City College v. Bell*. T.H. Bell was secretary of the Department of Education when the case was decided in 1984.

The court issued two key findings; first, that the College had never discriminated against anyone on account of sex, race, or national origin, and second, that the Department of Education's regulatory power was limited to only those programs which directly benefit from federal aid (that was expanded a few years later by the "Civil Rights Restoration Act" to ensure federal control of the entire institution.) So to protect our ability to freely pursue and fulfill our institutional mission, Grove City College chose to



withdraw from all federal grant programs immediately and all federal student loan programs a decade later. The case was about institutional and educational freedom, and, even more to the point, freedom of conscience.

Now back to the Scorecard. It's important to remember the context within which this initiative has developed. Two years ago, the Obama Administration proposed a comprehensive, comparative federal ratings system that would measure the accessibility, affordability, and outcomes of American colleges and universities. An institution's score on the ratings system would determine its eligibility to participate in the federal student aid program. Because federal student aid is the financial lifeblood of the vast majority of American colleges and universities, many in the higher education community voiced grave concerns over the implementation of such a high-stakes regulatory regime. The administration backed off and gave us the Scorecard instead.

Seen in this light, I think we should be concerned. This tool may be the beginning of an effort by the federal government that will significantly influence the beliefs, convictions, programs and policies that are deemed as acceptable in American higher education. As I've written elsewhere, the feds are now the purveyor of an official website that sanctions one set of institutional performance criteria in a one-size-fits-all manner. As colleges and universities focus their outcomes on the Scorecard's metrics, academic freedom and diversity may be the big loser.

For Grove City College, we face the possibility over time of being viewed by some families as a risky investment. Why does Grove City not have a score? Are we taking a chance if we go out of network, so to speak? When government inserts itself into the marketplace as a presumably reliable provider of consumer information, what impact does that have on other sources of information?

But there is something more fundamental and concerning at work here. As the cost of higher education has skyrocketed over the past two decades, and student debt has grown to a level (\$1.2T) higher than American's combined credit card debt, and students are struggling to graduate and establish rewarding careers (all real problems), the Obama administration is gradually expanding its control over the entire sector of higher education. Recall that the administration convinced Congress several years ago to allow the Education Department to take over the business of financial assistance for students.

According to the U.S. Department of Education's Office of Federal Student Aid, the federal government delivered nearly \$134 billion in financial aid to almost 13 million college students in FY 2014. Three-quarters of that staggering investment of public funds was made through the federal direct loan program. As student loan default rates have trended upward, public concern has grown over the federal investment of taxpayer dollars in federal student loans. In typical bureaucratic fashion, the Department of Education's answer is to ensure quality through increased oversight and regulation.

We have seen how this administration is prepared to use federal purse strings to advance its agenda. There was a time, sadly long ago, when the executive was a check on congressional abuse of the spending clause. Now President Obama sees the piling on of new requirements for the recipients of tax dollars as a great way to work around the legislative branch when it fails to embrace his liberal agenda.



Consider the issue of accreditation for institutions of higher learning. Colleges and universities must be accredited in order to tap into federal student aid. The system has functioned as a largely independent group of regional authorities relying on peer-review and self-assessment models for oversight. In my relatively brief time as a college president, I can tell you that accreditation is a rigorous and challenging process that engages the entire institution in various ways. However, the Obama administration is not a fan. Secretary Duncan called accreditation organizations “the watchdogs that don’t bark.”

Fortunately, Congress has explicitly limited the Education Department’s ability to dictate its preferred standards to accreditation organizations. Yet, just last week, the administration called on Congress to pass legislation giving the Department the authority to “set and enforce expectations regarding student achievement standards” – a virtual takeover of the accreditation process.

If you follow these issues, you will frequently hear the words “outcomes” and “transparency.” They are generally good words. Who doesn’t want to see an achieved benefit from the investment of significant resources or to know more about how important systems are performing. However, the power to determine which outcomes are desired and which are not, and what will be made known about an institution and what will not, is a power that will determine the higher education landscape for generations to come.

In the Education Department’s zeal to secure a set of academic outcomes judged by Washington policy-makers as necessary for student success and, importantly, the payback of enormous levels of debt to the federal government, the Department will increasingly seek to dictate what colleges should or should not teach. How will federal regulators look upon the humanities? What will it tolerate in academic requirements connected to faith traditions? What alliances will the government form with other special interests in an effort to alter the landscape of higher education?

In my first two years on the job, I’ve been amazed by the marketplace of ideas and initiatives in the business of higher education. If there is a tool needed to improve the way colleges function or the way students get information, someone will develop it. There is a tremendous diversity of options, and we are seeing every day how carefully families consider the value of a degree from one school compared to the next.

Washington should safeguard the use of tax dollars, but this responsibility should not be seen as a vehicle for taking over the entire sector. Many of us can testify to the transforming impact of our college experience. Such an outcome is best achieved through a diverse and dynamic academic environment, one unencumbered by governmental overreach.