

# THE SPELLINGS COMMISSION: WHAT COUNCIL MEMBERS AND TRUSTEES CAN DO IN LIGHT OF THE REPORT'S RECOMMENDATIONS

Remarks by Phyllis Palmiero  
Director, Institute for Effective Governance  
A program of the American Council of Trustees and Alumni

## About ACTA and its IEG

The Institute of Effective Governance is a program of the American Council of Trustees and Alumni – known as ACTA - a non-profit, non-partisan organization that is dedicated to working with alumni, donors, trustees, councils, and education leaders across the country to support liberal arts education, uphold high academic standards, safeguard the free exchange of ideas on campus, and ensure that the next generation receives a philosophically-balanced, open-minded, high-quality education at an affordable price. In a nutshell, we are committed to academic freedom, academic quality and institutional accountability.

In 2003, ACTA established the Institute for Effective Governance – a program created in response to and in support of the growing need of boards and councils across the country to tackle the issues of quality, affordability, and accountability. Four years later, we continue to work with councils and trustees as these issues have become more pressing than ever.

Lay governance, of which you are a piece, is a particularly American institution. Historically and philosophically, it is a part of our democratic tradition and brings the perspective of informed citizens to the heart of the university.<sup>1</sup>

By design, these responsibilities rest *not* with academicians or experts of any kind, not with government employees or even elected officials, but with lay councils and boards.<sup>2</sup>

---

<sup>1</sup> Krutsch, Phyllis M. "Governing Public Colleges and Universities: A Trustee Perspective," *Essays in Perspective: American Council of Trustees and Alumni's Institute for Effective Governance*, Spring 2004, p. 1.

<sup>2</sup> Ibid.

Like their counterparts in the corporate world, it is important for college council members and trustees to find ways to better connect the dots between the promise and practice of effective oversight.

And this is why I am here today...to provide sound advice on how council members and trustees can make a difference – by enabling a variety of reforms on campus – reforms that will help rebuild confidence in higher education and move your institution and higher education collectively to a higher level.

### **The Spellings Commission**

The Spellings Commission – officially called the Commission on the Future of Higher Education – began its work in the fall of 2005 and one year later produced its report – *A Test of Leadership, Charting the Future of US Higher Education.*

I might note that Charles Miller chaired the Commission – and what’s important about that is that he brought various perspectives – one as a businessman but more importantly one as a trustee – as he served on and chaired the Texas Board of Regents for several years.

In the course of its deliberations, the Commission came up with a number of findings that led to the final recommendations contained in the report. I plan to share with you today the findings and recommendations that have the most direct impact on the work that you do as council members and trustees.

The Commission believes “US higher education needs to improve in dramatic ways.” They believe that “past attainments in higher education have led our nation to unwarranted complacency about its future.” The Commission states that “American higher education has become what, in the business world, would be called a mature enterprise: check punctuation here increasingly risk adverse, at times self-satisfied; and

unduly expensive.” It concludes...“that while there is much about American higher education to applaud, there is also much that requires ‘urgent reform’.”<sup>3</sup>

The reason for the Commission’s urgent call is based on a variety of findings that are articulated in the report and are generally centered around six major themes – Access; Cost and Affordability; Financial Aid; Learning; Transparency and Accountability; and Innovation. I will briefly highlight the Commission’s key findings, the resulting consequences, and its recommendations relative to each of these six themes.

### **Summary of Key Elements of the Spellings Commission Report**

*The following key findings and solutions reflect excerpts taken from the Commission’s report<sup>4</sup>:*

#### **1. Access**

*Key Findings:* There is an insufficient alignment between K-12 and higher education. Among high school graduates that make it to postsecondary education, a troubling number waste time – and taxpayer dollars – mastering English and math skills that they should have learned in high school.

*Consequence:* Some 40 percent of college students end up taking at least one remedial course – at an estimated cost to the taxpayers of \$1 billion.

*Commission’s solution:* State policymakers can work together to create a seamless pathway between high school and college where states’ K-12 graduation standards must be closely aligned with college and employer expectations.

---

<sup>3</sup> *A Test of Leadership: Charting the Future of U.S. Higher Education* – A Report of the Commission Appointed by Secretary of Education Margaret Spellings, U.S. Department of Education, 2006, p. ix.

<sup>4</sup> Excerpts taken from: *A Test of Leadership: Charting the Future of U.S. Higher Education* – A Report of the Commission Appointed by Secretary of Education Margaret Spellings, U.S. Department of Education, 2006.

## **2. Cost and affordability**

### *Key findings:*

- Higher education's financing system is increasingly dysfunctional. State subsidies are declining; tuition is rising; cost per student is increasing faster than inflation or family income. Affordability is directly affected by a financing system that provides limited incentives for colleges and universities to take aggressive steps to improve institutional efficiency and productivity.
- College costs have outpaced inflation for the past two decades and have made affordability an ever-growing worry for students, families and policy makers...and while students bear the immediate brunt of tuition increases, affordability is also a crucial policy dilemma for those who are asked to fund higher education, notably federal and state taxpayers.
- There is an inadequate attention to cost measurement and cost management within institutions.

### *Consequences:*

- Public concern about rising costs may ultimately contribute to the erosion of public confidence in higher education.
- State funding for higher education will not grow enough to support enrollment demand without higher education addressing issues of efficiency, productivity, transparency and accountability.

*Commission's Solution:* That policymakers and higher education leaders develop new and innovative means to control costs, improve productivity, and increase the supply of education. This includes development of new performance benchmarks while also lowering per student education costs.

### **3. Financial Aid**

*Key findings:* The current system of financial aid is overly complicated and its programs are sometimes redundant and incomprehensible.

*Consequence:* The system makes it difficult for families to plan and can discourage college attendance.

*Commission's solution:* To completely overhaul the existing financial aid system by replacing the current maze of financial aid programs and rules and regulations with a system more in line with students' needs and national priorities.

### **4. Learning**

*Key Findings:* The quality of student learning at US colleges and universities is inadequate and in some cases declining. The report cites a number of recent studies that highlight the shortcomings of postsecondary institutions in everything from graduation rates and time to degree to learning outcomes and even core literacy skills.

For example:

- The National Assessment of Adult Literacy reports that the percentage of college graduates deemed proficient in prose literacy has actually declined from 40 to 31 percent in the past decade;
- The US DOE reports that only 66 percent of first-time, full-time, four-year college students complete a baccalaureate degree within six years; and
- The Business-Higher Education Forum reports that many new college graduates hired are not being prepared for work -- lacking critical thinking, writing and problem solving skills needed in today's workplaces.

*Consequences:* American higher education's ability to produce informed and skilled citizens - who are able to lead and cope in the 21<sup>st</sup> century - may soon be in question.

*Commission's solution:* To urge institutions of higher education to make a commitment to embrace new pedagogies, curricula, and technologies to improve student learning. The Commission also recommends that institutions measure and report meaningful student learning outcomes.

## **5. Transparency and Accountability**

*Key findings:* There is inadequate transparency and accountability for measuring institutional performance, which is more and more necessary to maintain public trust in higher education. It found that our higher education system has no comprehensive strategy, particularly for undergraduate programs, to provide either adequate internal accountability systems or effective public information. Thus, students and families rely heavily on reputation and rankings derived - to a large extent on inputs such as financial resources – measures such as how much institutions spend per student; the size of their endowment; average class size.

The Commission also found that despite increased attention to the issue, parents and students have no solid evidence, comparable across institutions, of how much students learn in college or whether they learn more at one college than another. Similarly, policymakers need more comprehensive data to help them decide whether the national and state investments in higher education are paying off and how taxpayer dollars could be used more efficiently.

And...while some accreditors have started to address learning assessments, to the extent those assessments exist, they play largely an internal role. Accreditation reviews are typically kept private and those that are made public focus more on process review than bottom line results for learning or costs.

*Consequence:* This lack of data and accountability hinders policymakers and the public's ability to make informed decisions and prevents higher education from demonstrating its contribution to the public good.

*Commission's solution:* Higher education must change from a system primarily based on reputation to one based on performance. It urges the creation of a robust culture of accountability and transparency throughout higher education. The recommendations include that:

- higher education governing and coordinating boards, entrusted with responsibility to ensure both internal and external accountability, should work with colleges to improve information about costs as well as prices for consumers, policymakers and institutional leaders;
- the higher education accrediting process should be more open - making findings of final reviews easily assessable to the public - and accreditors must continue and speed up their efforts toward transparency as this affects public ends; and that
- Accreditation agencies should make performance outcomes, including completion rates and student learning, the core of their assessment as a priority over inputs or processes.

## **6. Innovation**

*Key finding:* American higher education has taken little advantage of important innovations that would increase institutional capacity, effectiveness and productivity. Government and institutional policies created during a different era are impeding the expansion of models designed to meet the nation's workforce needs.

Consequence: Missed opportunities to realize greater efficiencies and more effective delivery models.

Commission's solution: That America's colleges and universities embrace a culture of continuous innovation and quality improvement by developing new pedagogies, curricula, and technologies.

### **The Commission's Impact**

Since the report was issued a little over a year ago, what has been the impact?

In a recent *Chronicle of Higher Education* article entitled, "A Year Later, Spellings Report Still Makes Ripples" – the impact of the Commission and its work, is described as... "One year later, there is accumulating evidence that the vision in this case might, at least in some key aspects, actually be realized."

There is no doubt that the Commission's work has precipitated a greater focus on how best to assess student learning and make results more transparent and available. Efforts range, for example, from the *Voluntary Assessment System* that Risa Palm, SUNY Provost, spoke about this morning to Miami Dade College's announced effort to examine every one of its 2000 courses to determine what key skills they are and are not teaching students, to the recent announcement of a group of on-line colleges planning to report student outcomes at the program specific level, called *Transparency by Design*.

And while some of these efforts have met with criticisms – including suggestions that such efforts may merely be superficial attempts to placate those demanding greater accountability and transparency in order to avoid federal interference - the fact is that the Commission's work has put into play a national dialog on how best to assess student learning and increase transparency and accountability.



Whether or not you agree with some or all of the Commission's findings and/or recommendations, the fact that they have prompted such a dialog nationally - is a good thing...especially if, indeed, such a dialog results in real and meaningful reform.

While reports of similar Commissions typically get filed away or put on a shelf – it appears that a majority of the issues contemplated by the Commission are in fact on the radar screens of many in higher education.

And in response to the efforts underway, Secretary Spellings says, “we are in the infancy in American higher education of being able to describe to our publics – whether they're state legislatures, Congress, parents, philanthropists – what we're doing, and to what effect...and we have a responsibility to start to answer that question...and we've barely begun.”<sup>5</sup>

### **What Council members and trustees can do**

And now, what does all of this mean for you - council members and trustees of the SUNY campuses?

Robust lay stewardship ensures that the unique vantage point of the lay council and boards truly permeates the day-to-day focus of the institution, translating statutory responsibilities into policies and practices that work. Active stewardship can make a real difference in what students know and can do when they graduate, in access, cost-effectiveness, and the quality of public higher education – the exact issues the Commission contemplated.<sup>6</sup>

Thus, in the next several minutes - I'd like to share with you ways in which we at ACTA believe that council members and trustees like yourselves can and should become part

---

<sup>5</sup> “A Year Later, Spellings Report Still Makes Ripples: More colleges test students and share data,” The Chronicle of Higher Education, September 28, 2007.

<sup>6</sup> Krutsch, Phyllis M. “Governing Public Colleges and Universities: A Trustee Perspective,” *Essays in Perspective: American Council of Trustees and Alumni's Institute for Effective Governance*, Spring 2004, p. 1.

of this national discussion...not just because of the Spellings Commission's call to do so, but because these issues are critical issues for all institutions of higher education in this country and they frankly - will not go away.

We believe that council members and trustees are in pivotal positions to ask the pertinent questions and to begin to address the many issues and challenges that lie ahead that will ultimately result in meaningful reform.

Recognizing that SUNY's college councils are empowered to review and make recommendations to the SUNY board on institutional strategic and/or long-range plans and to review and make recommendations on institutional budgets, you very much have a role in the many areas the Commission addressed. The most important role you have as a council member or trustee is to **ask questions**.

You must understand your own institution's data and the implications of it. There is no one-size-fits-all solution to the issues raised; but you can indeed begin to uncover the issues that most impact your institution – and once understood – working with the university administration – you can begin to address the underlying causes in meaningful ways.

So let's look at each of the areas covered by the Commission – and see what questions council members and trustees might be asking...

### **On Access**

Recall that the Commission's key findings in this area related to alignment of K-12 and higher education and the fact that students were taking remedial courses in large numbers. Council members could be asking...

- What percent of our incoming freshmen are enrolled in remedial courses?
- Would the institution be better served if these students did their remedial course

work at the community colleges?

- What are the institution's admission requirements?
- Are standards high?
- Are standards consistent with the college/university's mission?

In addition, you might ask:

- Are there effective transfer and articulation agreements between community colleges and four year institutions?
- How do transfer students progress relative to first -time freshmen?
- What is the transfer student's average time to degree? Can it be improved?

### **On Cost and Affordability**

Recall the Commission's findings that affordability is directly affected by a financing system that provides limited incentives for colleges and universities to take aggressive steps to improve institutional efficiency and productivity and that there is inadequate attention to cost measurement and cost management. In this regard, you might ask:

- Does the council review the colleges/university's financial statements?
- Is the budget in line with the college/university's mission and strategic plan?
- How does the university control costs?
- Is the university cost-efficient? How do you know?

To the theme of Cost and Affordability, I am going to explicitly add – productivity; and thus, you might ask:

- What criteria govern the introduction of new courses/programs?
- Are the new courses/programs in sync with the university's mission? the university's strategic plan?
- How are new courses/programs funded?

- Are other courses/programs eliminated if new courses are added?
- Are classrooms utilized to capacity – both in terms of seats filled and hours used?
- Are there ways to increase classroom and laboratory utilization?
- How many courses/credit hours are taught by full-time faculty?
- What is the percent of full-time faculty that teach lower division vs. upper division courses compared to part-time and graduate teaching assistants?

And as the cost of a college degree rises faster than the rate of inflation, council members and trustees must understand the costs that drive tuition and fees:

- How does the university calculate its tuition and/or fee needs?
- Does the university consider all sources of revenue and expenditure reductions and/or operating efficiencies prior to raising tuition/fees?
- What efforts has the university made to keep tuition and fees affordable/low?

### **On Student Learning**

Before I get into the questions you might ask here – on student learning - let me first take an opportunity to comment on the council’s role in academic affairs and specifically respond to the question raised earlier during Risa Palm’s presentation regarding the council’s role.

Trustees/council members often are unclear about their appropriate role in oversight of academic affairs. This is so because council members/trustees are commonly told “hands-off” on academic matters; that academic matters are the “sole prerogative of the faculty.” Nothing could be further from the truth. Colleges and universities are academic institutions whose prime responsibility is to teach. If a council or board of trustee’s role is to oversee the educational institution, then how can oversight of the academics – the prime purpose of the institution – be off-limits? That said, I am in no way suggesting that council members and trustees should develop curriculum and/or

course syllabi. But what I am saying is that council members and trustees should question whether or not learning is occurring, how that is ascertained, and to what end.

In response to the specific question raised about the council's role here, Risa Palm responded that curriculum was indeed the role of the faculty who keeps abreast of developments and refine the curriculum based on that. Let me share with you recent situation to help illustrate the concern I have on whether or not and the extent to which this indeed occurs.

I recently served on a legislative commission on educational leadership. One of the mandates was to examine whether or not the schools of education were in fact providing the knowledge and skills necessary to lead public K-12 schools today. Testimony was provided by superintendents and principals that leading elementary, middle and high schools today is a **very different** job than it was 30 years ago – dramatically different, in fact. Issues of safety, assessment and accountability (with regard to new state and federal standards) were among the reasons given. During their testimony, I asked the deans of education – since the job has changed so dramatically - what have the ed schools done to respond to this dramatic change and how have they redesigned their curriculum? The response – “they added a unit [to the existing curriculum].” I don't think “adding a unit” adequately addresses the needs of a dramatically changed profession...do you?

I have described this situation to help illustrate why it is imperative that colleges and universities assess how well their curriculum meets the needs of today's graduates and that council members and trustees indeed have a role in asking how the college/university assesses the curriculum and what reforms have taken place as a result.

Derek Bok, former president of Harvard University, wrote an insightful piece in *The Chronicle of Higher Education* on exactly this issue. The article, republished with permission by ACTA's Institute for Effective Governance, is entitled “The Critical Role of

Trustees in Enhancing Student Learning,” and I will email a copy of it to Michael O’Leary so that he might share it with you.

Now, back to questions council members should be asking relative to student learning...

Recall the Commission’s findings that the quality of student learning at US colleges and universities is inadequate and in some cases declining.

Council members should ask:

- What courses fulfill the general education requirements?
- What are the course requirements?
- Are there many choices or few? Are the courses general or narrow?

Here, I would note that Risa Palm stated several of the SUNY campuses did not implement the SUNY recommended general education reforms. Is your campus one? If so, why haven’t the general education reforms been implemented?

Moving beyond general education, council members might ask:

- What are the average grades across the institution, in both colleges and departments?
- How does this compare to grades five and ten years ago?
- How does the university measure student learning and general education competencies?
- Can students form rational arguments? Are they competent communicators— orally and in writing? Are they critical thinkers? How do you know?

And related to my earlier comment on the education leadership program I cited, you might ask:

- What has the college learned from any assessment efforts? As a result of these efforts, what changes have been made to programs and or the curriculum?

### **On Transparency and Accountability**

Recall again the Commission's findings - there is inadequate transparency and accountability for measuring institutional performance, which is more and more necessary to maintain public trust in higher education. Council members might ask:

- What are the four, five and six-year graduation rates for the college/university?
- What is the first to second year retention rate?
- What is the average time to degree?
- What are the college graduates' scores on professional or graduate school admission exams (e.g. GRE, GMAT, and LSAT)?
- What are the college graduates' scores on licensure exams (e.g. nursing, teaching, CPA, etc.)
- How have these rates changed over time?

### **Last, on Innovation**

Recall the Commission's recommendation that America's colleges and universities should embrace a culture of continuous innovation and quality improvement by developing new pedagogies, curricula, and technologies.

In this regard, Council members and trustees might ask:

- Looking at the faculty, what are average teaching loads; faculty rank (tenured, associate professor, assistant professor, etc.) ratios of part-time, graduate teaching assistants and full-time faculty, etc?
- How does the university review and reward faculty?
- What is the basis for faculty salary increases and how are they allocated?

- What incentives exist to reward faculty who teach and do quality research? What incentives, if any, exist to reward innovative approaches to teaching?
- Is the incentive system consistent with the institutional priorities and/or desired outcomes?

The many questions I suggest are merely a sampling and serve as a first step for council members and trustees to begin to uncover issues and engage with the campus community AND they will allow the council members and trustees, administration, faculty, and, potentially the SUNY board, to work together to identify areas where the colleges - and the system as a whole - might need to improve and thus, implement reforms.

ACTA has provided for you a “take-away” – several copies of which are on your tables. Please feel free to take one with you – it is a quick read and further describes actions council members and trustees can take. On page one, there is also a website link to the full Commission report.

## **Conclusion**

There is no doubt that the work of the Spellings Commission and its call for “urgent reform” has met with a share of skepticism and even paranoia over “some ulterior motive” or federalization of higher education. The strong resistance that the Spellings Commission’s findings and recommendations have met from the higher education establishment is best described by Kevin Carey of Education Sector<sup>7</sup>. He says that he hears two main arguments for the resistance: “The first is that higher education is so impossibly complex and nuanced that there is no way for institutions to plausibly measure their success in a meaningful way. The second is that any move toward accountability will inevitably lead to perverse incentives, bad behavior, and the gaming of whatever system we create. In other words, the main objections to accountability

---

<sup>7</sup> Kevin Carey, remarks at 2007 ACTA ATHENA Roundtable, October 5, 2007.



from the higher education establishment boil down to 'We're not smart enough, and we can't be trusted.'"

He further says that "this reluctance is rooted in a desire to maintain higher education's historical independence from government control and that this "impulse is the right one - diversity and autonomy have kept the higher education sector strong." And ACTA surely agrees.

However, he goes on to say, "But there is a danger that higher education will end up with all the independence it needs, and then some. That in maintaining its self-reliance, it will cut itself off from the society it serves and suffer a slow but ultimately destructive decline in relevance and resources."

Inaction is not the answer, nor are superficial attempts at reform. Otherwise, I fear, unwanted imposition of reforms is a real threat. I trust we can all agree -- time for meaningful reform has come and working together you are the ones that can help them happen! So as Liz Kaming said earlier in her comments..."Get to work, and get involved."

Thank you.