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Department of Education bumps up against its own education policies

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Under the rubric of protecting students and their families, politicians in Washington, led by the White House, have been talking about getting tough on higher education by imposing outcomes which must be met in order to be eligible for federal student loans. A variety of possible quality measures have been proposed, including graduation rates to employment rates for graduates. The one policy that has been implemented focuses on default rates for student loans.

According to a *Fiscal Times* article:

> *The academic world has been anxiously awaiting the Department of Education's annual announcement on student loan defaults. As of this year, schools with three consecutive years of default rates above 30 percent (or one year above 40 percent) will risk losing federal financial aid. The review was expected to clobber the for-profit sector, but also to penalize some smaller schools characterized by higher-than-average student borrowing, such as numerous members of Historically Black Colleges and Universities, or HBCU. Last year 14 colleges in that organization had default rates above 30 percent.*

When faced with the reality that its proposals to get tough on (or hold accountable) higher education would wind up hurting exactly the kinds of students who most need loans to pursue post-secondary education, the White House and Department of Education apparently lost the courage of their convictions. The *Chronicle of Higher Education* reported, "In a notice published quietly on Tuesday (10/7), the department told colleges it had 'adjusted' the rates of institutions that fell short of the strict new standard that took full effect this year, excluding some defaulters from the colleges' totals."

The *Fiscal Times* article was more explicit about the winners and losers:

> *Though many schools adopted practices aiming to reduce defaults, some were still expected to fall below the government standard. Education Secretary Arne Duncan, speaking recently at a gathering of HBCU leaders, announced that because of changes to the way the numbers were calculated, none of the black*

> *schools would lose federal aid.*
>
> *Proprietary (for-profit) schools, which have been under attack by the Obama White House for some time, were not so lucky. Twenty-one institutions, typically small for-profits offering beauty and cosmetology programs, were deemed to have default rates above the federal limit; those schools will likely lose their opportunity to offer students federal loans and grants – thus effectively putting them out of business.*
>
> *For-profit schools enroll almost two million Americans, many of whom are older, are military vets, and minorities – in other words, exactly the population groups the White House should support.*

The outcome of using student loan default rates was widely predicted by educators, who have exactly the same concerns about many of the other proposals to regulate higher education using problematic measures like graduation rates.

This is not to suggest that no problems exist. Among other things, federally guaranteed student loans certainly need to be monitored. The problem is that politicians seem more interested in demagoging these issues rather than working with institutions of higher education to find mutually agreeable solutions. And as this example shows, those most likely to be hurt are not students at the Ivies or even at institutions like CSB or SJU (our student loan default rate is virtually zero) but students of color, and first-generation college students who are trying to use education to get onto the lower rungs of the economic ladder.

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Michael Hemesath is the 13th president of Saint John's University. A 1981 SJU graduate, Hemesath is the first layperson appointed to a full presidential term at SJU. You can find him on Twitter [at] PrezHemesath.