



# THE WALL STREET JOURNAL.

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U.S.

## Colleges Flex Lobbying Muscle

With campuses, jobs in every district, schools push Congress to sink new rules



Lynchburg College President Kenneth Garren worried that under a proposed federal college-ratings system, smaller private schools like his, which draw average-performing students from rural Virginia, would be compared with Ivy League schools and large state universities catering to different types of students. *PHOTO: JEREMY M. LANGE FOR THE WALL STREET JOURNAL*

By **BRODY MULLINS, DOUGLAS BELKIN** and **ANDREA FULLER**

Nov. 8, 2015 9:51 p.m. ET

Lynchburg College President Kenneth Garren was sipping wine at a reception before Virginia's gubernatorial inauguration last year when he spotted a familiar face: Sen. Mark Warner.

Mr. Garren had known the senator for years and had met with the lawmaker's daughter on campus when she was considering applying to the small Christian college. At the inauguration party, Mr. Garren says, he buttonholed the senator and urged him to

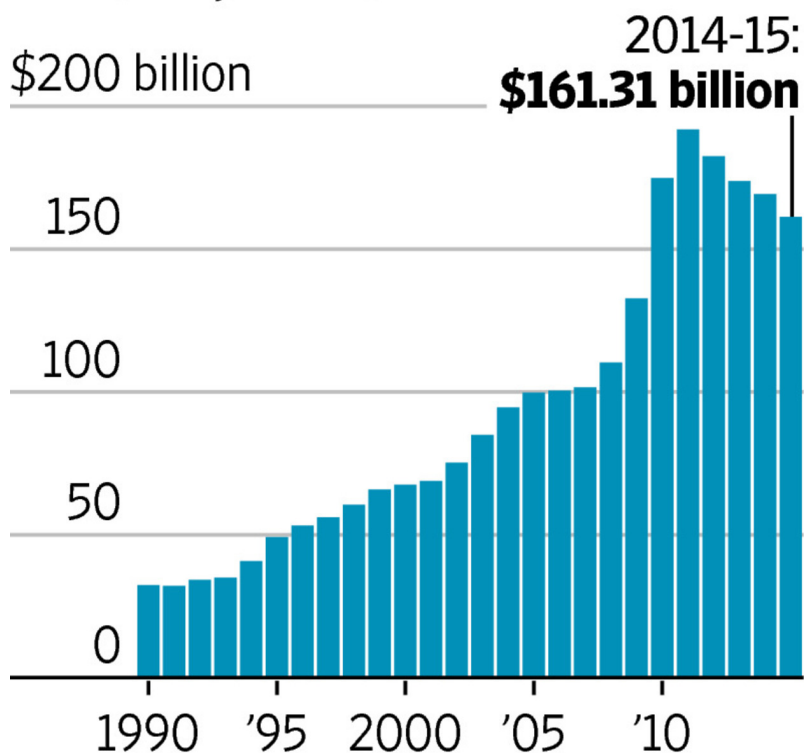
oppose a plan from President Barack Obama to create a ratings system for colleges.

Mr. Warner (D., Va.) announced two months later that he opposed Mr. Obama's plan, saying he had been persuaded by Mr. Garren and other Virginia college presidents. Scores of other members of Congress did the same, and this summer, Mr. Obama announced that he was backing off key elements. The Education Department released a searchable database about colleges in September, but left the ratings possibilities to others.

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## Student Aid

### Federal aid for college and university students



Note: Includes loans, grants and tax benefits. Figures are in 2014 dollars. Dates are for end of school year. Source: College Board

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Colleges and universities have become one of the most effective lobbying forces in Washington, employing more lobbyists last year than any other industries except drug manufacturing and technology. There are colleges in every congressional district, and 1 in 40 U.S. workers draw a paycheck from a college or university.

Over the last two decades, the higher-education industry has beaten back dozens of government proposals to measure its successes and failures. It has killed efforts to tighten rules for accrediting schools, defeated a proposed requirement to divulge more information about graduation rates and eliminated funding for state agencies that could have closed bad schools. The proposals had support from both sides of the political aisle.

The political pressure on higher education is rooted in a simple but vexing question: Is the government getting a good return on the money it is pouring into the U.S. college

system? The government's goal is to enable nearly every American who wants to go to college to do so. Federal spending on loans and grants, on an inflation-adjusted basis, has jumped more than 50% over the past decade to \$134 billion last year, and total federal student-loan debt has hit \$1.2 trillion.

## Few metrics

The concern is that it is difficult for students, parents, taxpayers and the government to determine whether the higher-education investment is well spent because there are few clear metrics to determine if schools are succeeding or failing.

Colleges and their lobbyists say many of the proposed requirements they opposed would have made it more difficult for colleges to serve students of all different abilities and economic means. They say the government can't possibly determine the best schools for millions of students.

"What is a good college for one person isn't good for the next person," said Sarah Flanagan, the chief lobbyist for an organization of private schools called the National Association of Independent Colleges and Universities.

Some lobbyists say colleges and universities have been unwilling to suggest alternatives to changes they see as going too far.

"The problem is that as much as colleges complain about the current regulatory regime, they oppose every reform proposal primarily because they are afraid of the devil they don't know," says Barmak Nassirian, director of federal relations at the American Association of State Colleges and Universities, a higher-education lobbying group.

The failure of political efforts to require more accountability and transparency means that colleges continue to collect billions of dollars annually in student loans with few strings attached, including schools that don't graduate many of their students and where loan defaults are high.

"Their first answer is, 'No, leave me alone, but give me money,'" said Celia Sims, a former education adviser in the Senate and President George W. Bush's Education Department.

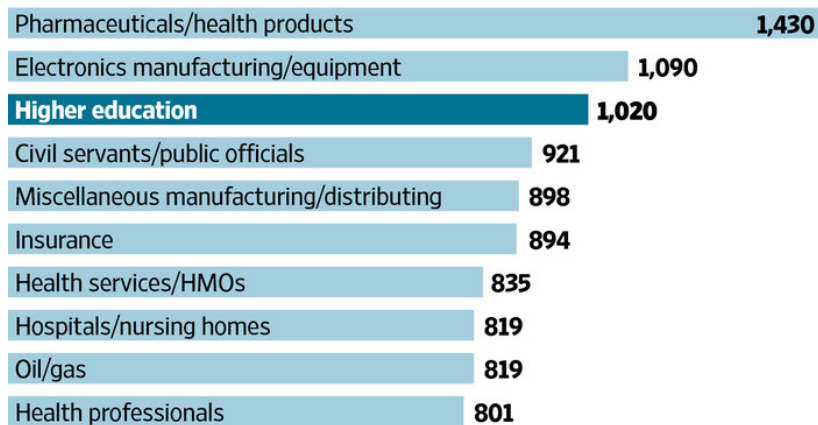
White House hopefuls from both parties, spurred by growing concern about student debt, are floating proposals to give parents and students new information to better compare colleges on measures from total cost to the likelihood of graduating on time.

Public universities, private colleges, vocational schools and other higher education institutions employed more than 1,000 lobbyists last year and spent more than \$73

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## Heard on the Hill

Higher education had the third-highest number of lobbyists among industries in 2014.



Source: Center for Responsive Politics

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million on lobbying, according to the nonpartisan Center for Responsive Politics.

Each of the 435 lawmakers in the U.S. House represents at least one of the nearly 5,500 colleges in the country, according to a Wall Street Journal analysis of federal data. On average, each House lawmaker represents a dozen two-year and four-year schools.

Those colleges employ 3.6 million faculty and staff members, according to data from the Bureau of Labor Statistics. Four-year colleges alone represent the sixth-largest industry by employment in the country.

“Pretty much any elected official will take a phone call from the president of the college in their district,” says David Bergeron, a senior Education Department official until 2013.

Calls to hold colleges more accountable mounted under President George H.W. Bush, when student-loan default rates jumped. In 1992, Mr. Bush signed legislation creating state agencies to evaluate colleges and potentially cut off student-aid funding to poorly performing schools.

When President Bill Clinton took office, he directed David Longanecker, an assistant secretary at the Education Department, to set up the new regulatory bodies. Mr. Longanecker said the government “deserves some metrics of success from the institutions to give some indication of what students were getting and what the federal government was paying for.”

Colleges vowed to repeal the legislation. The American Council on Education, a large college lobbying group, sent a letter to thousands of college presidents saying the creation of the agencies amounted to “administrative overreach,” full of “unintended consequences,” recalls Terry Hartle, now its top lobbyist.

When college presidents flocked to Washington in early 1995 to attend annual association meetings, many met with their representatives.

David Ruffer, the retired president of the University of Tampa, says there were so many school presidents on Capitol Hill it felt like a reunion. Mr. Ruffer recalls telling lawmakers the government had gone too far. “Our argument was about control and regulation,” he says.

That appealed to Republicans, who had just taken over Congress on a platform of smaller government.

At the convention of the National Association of Independent Colleges and Universities, Newt Gingrich, the new speaker of the House and a former professor, delivered the keynote speech to about 450 college presidents. Mr. Gingrich called the state agencies intrusive and said they should be scrapped.

The Education Department’s Mr. Longanecker was standing near Mr. Gingrich as the crowd cheered. He said he knew at that moment the agencies were dead. Mr. Gingrich said in an email he didn’t remember the speech.

Congress eliminated funding for the agencies that year. Had the regulations survived, Mr. Longanecker says, many colleges with low graduation rates would have been forced to close. “We lost because of the lobbying effort,” he says.

Colleges faced another challenge in the early 2000s when officials at President George W. Bush’s Education Department suggested creating a federal database to collect and synthesize more information about the cost and quality of college, including better information on graduation rates, total costs and even the average annual salaries of graduates. A bipartisan commission appointed by Education Secretary Margaret Spellings recommended the collection of the data.

Colleges and universities lobbied against it, arguing that allowing the government to collect such sensitive personal information would invade the privacy of students. The Education Department assured the public it could protect individual student records.

Duane Litfin, the president of Wheaton College, a Christian school in Illinois, was one of the many who objected. He says he didn’t want the government interfering with his school.

Mr. Litfin had a line to an influential lawmaker: Rep. Dennis Hastert, a school alumnus then serving as speaker of the House. Mr. Litfin recalls that he spoke to the Republican lawmaker frequently. “Former Speaker Hastert was very sensitive to our concerns,” he says.

Mr. Hastert was among the many lawmakers who supported legislation introduced in

2005 to ban the Education Department from collecting additional information about students or tracking them over time. That legislation, introduced by Rep. Virginia Foxx (R., N.C.), became law in 2008.

Ms. Foxx said in a written statement that the law reflected the “deep concerns that Americans have about government intrusion into their private lives.” Mr. Hastert, who left Congress in 2007, couldn’t be reached for comment. Last month, he pleaded guilty to a federal criminal charge in connection with an alleged scheme to cover up misconduct with hush money.

The commission formed by Ms. Spellings also focused on accreditors—nonprofit groups made up of colleges that determine if schools are qualified to operate. The federal government requires schools to be accredited before their students can receive loans.



Kenneth Garren, president of Virginia's Lynchburg College, urged his senator, Mark Warner, to oppose a plan from President Barack Obama to create a ratings system for colleges. *PHOTO: JEREMY M. LANGE FOR THE WALL STREET JOURNAL*

Accreditors have long resisted performance standards, saying their mission is to improve weak schools, not shut them down. The commission recommended that accreditors find a way, such as a test, to determine how much students were learning. That would allow the public to compare schools.

Many school presidents complained to lawmakers that the proposal intruded on their independence. “It was a total onslaught, both in terms of letter writing and lobbying to stop the department,” says Vickie Schray, then a senior Education Department adviser.

Sen. Lamar Alexander (R., Tenn.), a former education secretary, introduced legislation to block the government from setting accreditation standards without congressional approval. Mr. Alexander’s spokeswoman says the senator thought the Education



Department's proposed accreditation changes were too "prescriptive."

As the legislation was being considered, Sen. Bernie Sanders of Vermont approached Mr. Alexander on the Senate floor, according to a Senate aide who witnessed the exchange. Mr. Sanders said he had heard from every college president in Vermont urging him to support it, so he would, according to the aide. A spokesman for Mr. Sanders, who is now seeking the Democratic nomination for president, declined to comment. The law passed in 2008.

## Ratings plan

In August 2013, President Obama announced a college-ratings plan under which the government would collect and analyze data on graduation rates and student-debt loads. Mr. Obama said the goal was to allow parents, students and the government to "get a bigger bang for their buck." The plan was to slot colleges into three broad categories: high performing, low performing and the rest.

Money would be on the line. Poorly performing schools could lose student-aid money, while colleges that "are providing high-quality education are the ones that are going to see their taxpayer money going up," he said.

Mr. Obama wanted to establish the ratings plan by the start of the 2015-16 school year and to begin reallocating student aid by 2018.

Colleges complained that the government shouldn't be in charge of weighing the numerous factors that go into determining colleges' performance.

Lynchburg College's Mr. Garren worried that smaller private schools like his, which draw average-performing students from rural Virginia, would be compared with Ivy League schools and large state universities, even though they catered to different types of students.

When Mr. Garren spotted Mr. Warner at the gubernatorial event in January 2014, he recalls, he marched across the room at the Jefferson Hotel and told the senator: "The government doesn't have a right to tell people what the best schools are."

A few months later, Mr. Warner became one of the first Democrats to announce his opposition. "Not every group of students is going to go to the same place," he said in a speech at Liberty University, echoing Mr. Garren's objections. "You want to make sure you give that B or C student...a chance to get to college."

In February 2014, Mr. Garren was in Washington for a conference for college presidents. He hailed a cab to Capitol Hill and arranged meetings with other Virginia lawmakers.

He met Rep. Robert Goodlatte, a Republican, who took the lead opposing the ratings plan. Mr. Goodlatte's district is home to more than two dozen colleges and universities.

Mr. Goodlatte says he received a letter opposing the plan from every school in Virginia, and he met with several college presidents, including Mr. Garren.

"I was pretty alarmed at what he was telling me," recalls Mr. Goodlatte. "These are significant employers in many districts and, when they speak with one voice, it's powerful."

In June, the Education Department announced it wouldn't rate the colleges and or try to tie performance to federal dollars.

Among its rationale: It had little support from colleges and universities.

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