
A letter of transmittal at the beginning of the report says the report's "conclusions" are as follows:

- "The United States has a world-class system of higher education, and a college degree has become a key requirement for economic success in today's world."

- "This Commission is convinced that American higher education remains an extraordinary value."

- "Institutions, families and students, and other patrons share responsibility for maintaining quality and reducing costs."

- "Tuition price controls will not work and would be destructive of academic quality in higher education."

- "Nevertheless, the Commission is also deeply concerned that most academic institutions have permitted a veil of obscurity to settle over their financial operations and many have yet to take seriously basic strategies for reducing their costs."

- "Unless academic institutions attend to these problems now, policymakers at both the state and Federal levels could impose unilateral solutions that are likely to be heavy-handed and regulatory."

The body of the report states that the Commission has arrived at "five key convictions about the college cost and price crisis:"

"Conviction 1: The concern about rising college prices is real. . . . People consider a college degree as essential to their children's future. . . . And, they also worry that
access and opportunity are slipping away. These are genuine public fears to which academic institutions must respond."

"Conviction 2: The public and its leaders are concerned about where higher education places its priorities. . . . Academic institutions need much better definitions and measures of how faculty members, administrators, and students use their time. . . . College finances are far too opaque. Higher education has a major responsibility to make its cost and price structures much more 'transparent,' i.e., easily understandable to the public and its representatives."

"Conviction 3: Confusion about cost and price abounds and the distinction between the two must be recognized and respected. Issues of cost, price, subsidy, and net price have been difficult for the members of this Commission to master. They are equally, if not more confusing to members of the public. These are complex topics, and higher education must strive continuously to clarify and communicate them clearly and candidly."

"Conviction 4: Rising costs are just as troubling a policy issue as rising prices. . . . "Unless [institutional] cost increases are reduced, prices in the long run cannot be contained without undermining quality or limiting access. Some of the factors behind these cost increases can be understood and explained. [A paragraph follows that briefly refers to declines in public subsidies, increases in administrative costs, facilities costs, institutional aid, and regulatory costs.] Some policymakers worry that Federal financial aid might have encouraged tuition increases. This Commission is confident that Federal grants have not had such an effect, at either public or private institutions. The Commission believes no conclusive evidence exists with respect to Federal loans and believes this issue deserves serious and in-depth additional study. Aside from such general observations, the Commission does not have solid information to help identify specific factors driving cost and price increases. The simple truth is that no single factor can be identified to explain how and why college costs rise. The Commission suspects that part of the underlying dynamic is the search for academic prestige and the academic reward systems governing higher education. This institutional emphasis on academic status is reinforced by a system of regional and specialized accreditation that often encourages increased expenditures by practically every institutions. The complexity of the interrelationships among these and other factors convinces the Commission that policymakers should avoid simple, one-size-fits-all solutions to the challenge of controlling or reducing college costs."

"Conviction 5: The United States has a world-class system of higher education. . . . It is little wonder that the world has beaten a path to the door of the American university. Nonetheless, Academic leaders cannot take the continued pre-eminence of their institutions for granted. . . . such a system can deteriorate very rapidly. In the Commission's judgment, one of the few things capable of precipitating such a decline in
the United States would be an erosion of public trust so serious that it undermined ongoing financial support for the nation's academic enterprise. Continued inattention to the imperative to make academic institutions more financially transparent threatens just such an erosion.

The report includes a variety of recommendations grouped under five general policy goals. The introduction to this section of the report emphasizes that "many different stakeholders have contributed to the college cost and price crisis [and] all of them will have to contribute to the solutions. . . . Government needs to invest in higher education as a public good; foundations should continue to support policy research and the search for innovation; parents should be prepared to pay their fare share of college expenses; and students should arrive at college prepared for college-level work. But without doubt, the greatest benefits depend on academic institutions shouldering their responsibility to contain costs and ultimately prices. Although the responsibility for controlling costs and prices is widely shared, the major onus rests with the higher education community itself."

The report's policy goals and recommendations are as follows:

Policy Goal I: "Strengthen Institutional Cost Control-The Commission recommends that academic institutions intensify their efforts to control costs and increase institutional productivity." Specific recommendations called for under this heading include:

- Institutional "efficiency self-reviews to identify effective cost-saving steps that are relevant to institutional mission and quality improvement."

- A national effort, led by institutions of higher education, "to study and consider alternative approaches to collegiate instruction which might improve productivity and efficiency."

- "Similar national attention" to "new alternative approaches to thinking about faculty careers, beginning with graduate school education and extending to tenure and post-tenure review."

- "Greater institutional and regional cooperation in using existing facilities at institutions of higher education."

- Maximizing the opportunity for cost savings through joint campus purchase of goods and services and joint use of facilities.

- Greater use of consortia and joint planning to maximize access to expensive academic programs.
More research into academic cost control, and various award programs and other incentives to encourage cost-control efforts.

Policy Goal II: "Improve Market Information and Public Accountability-The Commission recommends that the academic community provide the leadership required to develop better consumer information about costs and prices and to improve accountability to the general public." Specific recommendations called for under this heading include:

- A major public-awareness campaign, led by higher education, "to inform the public about the actual price of a postsecondary education, the returns on this investment, and family preparation for college."
- Annual reports by higher education institutions to their constituent families and student on costs, prices, and subsidies.
- Better and more comprehensive data collection by the federal government.
- Changes in national accounting standards that will enable "valid comparisons" between the finances of public and private institutions.

Policy Goal III: "Deregulate Higher Education-The Commission recommends that governments develop new approaches to academic regulation, approaches that emphasize performance instead of compliance, and differentiation in place of standardization." Specific recommendations called for under this heading include:

- Repeal of the IRS reporting requirements for the new higher education tax provisions enacted last year.
- The development of differential environmental, health, and safety standards for research and teaching laboratories and facilities.
- Repeal of state and county regulatory requirements that are "overly burdensome."
- Greater involvement of college and universities in the discussion of issues related to the electronic production of information.
- The enactment of legislation that will allow colleges and universities with defined-contribution retirement programs to offer early retirement incentives to faculty.
Consolidation of disclosure provisions of such legislation as the Student Right to Know and Campus Crime and Security acts.

Allowing institutions with a demonstrated history of sound financial operations and capable administration to be deemed to meet eligibility requirements of the Higher Education Act.

Policy Goal IV: "Rethink Accreditation-The Commission recommends that the academic community develop well-coordinated, efficient accrediting processes that relate institutional productivity to effectiveness in improving student learning." Specific recommendations called for under this heading include:

- Reshaping existing accrediting standards and review processes to put greater emphasis on measures of effectiveness and less emphasis on resources; devising new standards and processes that support greater productivity, efficiency and cost constraint.

- Better coordination between regional, national, and specialized accreditors to minimize costs and recognize the primacy of regional, institution-wide accreditation.

Policy Goal V: "Enhance and Simplify Federal Student Aid-The Commission recommends that Congress continue the existing student aid programs and simplify and improve the financial aid delivery system." Specific recommendations under this heading include:

- Continuation, and where possible, strengthening, of the existing federal grant, loans and campus-based financial aid programs.

- Simplification and improvement of the student financial-aid delivery system, with the goals of improving the level of service to students and program participants, reducing administrative costs, increasing accountability, and providing greater flexibility in managing the functions and operations of programs.

- Involvement of the Department of Education in efforts to develop electronic data interchange standards and other experiments in the use of new technologies for information sharing among institutions.

- Congressional monitoring of the effectiveness of the new higher education tax provisions.
Investigation of the feasibility of broadening eligibility requirements for federal student aid to include part-time students.

Review and simplification of the Department of Education's financial aid regulations, procedures, and forms.

Consideration of expanding and strengthening the case management approach to eligibility and compliance issues associated with the Higher Education Act.

Requiring the Department of Education to make available to every institution certified for Title IV participation a complete, non-redacted copy of its review guidelines and procedures.

Finally, the report includes an appendix, entitled "The Unfinished Agenda," that identifies 13 issues the Commission says it did not have time to review thoroughly. These issues include the following:

"Graduate Education. How has the price of graduate education changed over time" What are the relative costs of graduate education as compared to undergraduate education? How can we distinguish these costs? Are undergraduate tuitions paying for graduate programs? Is the time to obtain a Ph. D. increasing?"

"Faculty Workload. How do faculty spend their time? How can we improve upon current methods of obtaining data on faculty work? How much are they asked to teach? How frequently are faculty able to substitute activities for actual classroom teaching? Are there more efficient ways to teach?"

"Costs and Quality. To what extent are changes in higher education costs related to changes in the quality of higher education? How are higher education products affected by changes in costs? How can quality be improved and costs reduced?"

"Technology. How can advances in technology change the delivery of higher education? How can technology help colleges and universities to reduce their costs?"

Tuition Remission. Does offering faculty tuition remission for family members drive institutional costs up?"