



Commission Submits Final Report

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After conducting a year-long research study, the Commission on the Future of Higher Education presented their final report with its recommendations to Secretary of Education Margaret Spellings. Spellings said she will review the commission's findings and continue the national dialogue after determining appropriate actions based on the recommendations.

The highlights of the recommendations include the following: the government should provide significant increases in aid to low-income students, so that every student in the nation can avail himself or herself of the opportunity to pursue postsecondary education; a high school diploma should signify that a student is ready for college or work; states must adopt high school curricula that prepares students for postsecondary education and should facilitate seamless integration between high school and college; high schools must be made accountable for teaching all students and providing federal support to students who are not learning at their grade levels; colleges should remove barriers to student mobility and promote new learning paradigms (e.g., distance education, adult education, workplace programs); the entire student financial aid system should be restructured and should introduce new incentives to improve the measurement and management of costs and institutional productivity; the government should create a consumer-friendly information database on higher education, with useful, reliable information on institutions, coupled with a search engine to enable students, parents, policymakers, and others to weigh and rank comparative institutional performances. The complete report is available at

<http://www.ed.gov/about/bdscomm/list/hiedfuture/reports/pre-pub-report.pdf>.

After Whistle, Oberg Blows Trumpet

Jon Oberg, a former researcher for the U.S. Department of Education, has blown the trumpet after having blown the whistle in the past. At a conference entitled "Student Loan Scandals: A Whistleblower and Maverick Report" held in Washington, DC, Oberg went public regarding the loophole that allegedly allowed student loan companies to earn millions of dollars at the expense of taxpayers. Crafty financiers clubbed new loans with old ones, aiming to continue receiving a government-guaranteed subsidy of 9.5 percent. The Higher Education Act (HEA) guaranteed lenders a 9.5-percent interest rate return on student loans financed by tax-exempt bonds issued before October 2003.

The now-retired Oberg, whose claim to fame is a report on his findings concerning "irregularities" in the financial reports of several secondary-market student loan providers, reported this matter to the Department of Education, the department's inspector general, and the Government Accountability Office. But he was asked "not to research the issue further." Oberg then decided to research the matter independently, and his findings were later used by The Institute for College Access and Success, as well as in a 2004 GAO report criticizing the practice.



Oberg, while acting as a liaison between the Department of Education and Congress (which passed legislation repealing the 9.5-percent provision in the HEA), spotted irregularities in the legislation in 1998. He began researching on his own, using data based on loans issued prior to 1993, as there was a change in the law at that time; he was surprised to find that loan pools used for the subsidy were increasing instead of shrinking, as was intended by the lawmakers who made the revision.