The Federal-State Higher Education Partnership

Lessons from Other Federal-State Partnerships

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Federal and state governments share some goals for higher education policy, including making high-quality education available to a wide range of students. But largely because of differing priorities and competing demands for resources, federal and state policies do not always work well together. As the federal role in funding higher education grows over time, questions arise about whether this role should involve more than just putting dollars in the hands of students.

Federal funding does not have to mean federal control or a uniform national policy. But to further national goals for postsecondary opportunity and attainment, in addition to providing funds to students, the federal government could partner with state governments to support and influence their efforts to provide quality, affordable public higher education.

Experiences in other areas of public policy provide lessons for a successful partnership. Federal funding and standards can establish strong norms and can improve equity in higher education. But states must have flexibility and considerable autonomy to facilitate a productive partnership.

States establish, fund, and regulate public colleges and universities to provide postsecondary education for state residents. Federal policy focuses on access and affordability for individual students—particularly low-income students—through portable financial aid, primarily grants, loans, and tax credits.[1] The system could be strengthened by a more thoughtful approach to the roles different levels of government play and how they can complement each other.

After discussing the rationale for federal-state partnerships, this brief examines federal-state partnerships in transportation, health care, and elementary and secondary education in search of lessons for higher education.

Current Patterns

Most state and local funds go directly to public colleges and universities, and most federal funds go to individual students to use wherever they enroll. In 1999–2000, federal grant aid for students combined with education tax credits was equal to 25 percent of total state funding for higher education. By 2014–15, these federal programs contributed 80 percent as much as state funding. If federal loans and work-study aid are also included, total federal aid went from 80 percent of the level of state funding in 1999–2000 to 184 percent in 2014–15 (table 1).

TABLE 1

Federal Student Aid and State and Local Appropriations for Public Higher Education, 1999–2000 to 2014–15

Millions of 2015 dollars

	Federal Student Aid								
Fiscal year	Federal grant aid	Federal tax credits and deductions	Federal work-study	Federal loans	State support for public higher education	State and local support for public higher education	Federal grants and tax credits and deductions/ state support	Federal grants and tax credits and deductions/ state and local support	Federal student aid/ state and local support
2000	$13,609	$5,937	$1,217	$46,875	$77,288	$84,292	25%	23%	80%
2001	$14,462	$5,816	$1,285	$47,408	$79,914	$87,078	25%	23%	79%
2002	$17,437	$6,227	$1,349	$50,331	$81,313	$89,156	29%	27%	85%
2003	$20,008	$6,969	$1,333	$56,782	$78,636	$86,796	34%	31%	98%
2004	$21,687	$7,506	$1,298	$64,250	$75,606	$83,965	39%	35%	113%
2005	$22,054	$7,724	$1,252	$68,907	$76,724	$84,832	39%	35%	118%
2006	$21,034	$7,814	$1,202	$70,626	$79,134	$87,305	36%	33%	115%
2007	$21,100	$7,721	$1,142	$71,775	$83,489	$91,876	35%	31%	111%
2008	$23,055	$7,650	$1,116	$78,648	$85,905	$94,810	36%	32%	117%
2009	$26,487	$11,623	$1,057	$93,772	$81,996	$91,274	46%	42%	146%
2010	$45,011	$18,191	$1,078	$110,868	$76,457	$85,836	83%	74%	204%
2011	$53,169	$21,689	$1,067	$116,256	$76,850	$86,211	97%	87%	223%
2012	$48,169	$20,543	$1,027	$113,068	$71,106	$80,121	97%	86%	228%
2013	$47,664	$18,435	$1,005	$107,012	$70,525	$79,869	94%	83%	218%
2014	$46,461	$18,477	$1,002	$103,525	$74,302	$83,662	87%	78%	203%
2015	$45,150	$18,255	$983	$97,785	$78,971	$88,046	80%	72%	184%

Sources: "SHEF—State Higher Education Finance FY15," State Higher Education Executive Officers Association, accessed March 24, 2017, http://www.sheeo.org/projects/shef-fy15; and Sandy Baum, Jennifer Ma, Matea Pender, and Meredith Welch, *Trends in Student Aid 2016* (New York: College Board, 2016), table 1.

Note: Support includes federal financial aid to students in all sectors of higher education. States also provide $3 billion annual to independent institutions (not displayed here).

The recent increased role of the federal government in financing higher education was not planned. Rather, state funding levels have not kept up with enrollment growth and tuition prices have risen rapidly. The states have responded to fiscal pressures, including increased spending on health care, not a desire to hand responsibility for higher education to the federal government. The federal government has increased its support for students to increase postsecondary opportunity and attainment. Because the federal government funds individual students rather than institutions, its increasing contribution appears to be supplementing state funding, rather than taking over responsibility for higher education.

The trend is dramatic and generates concern about whether federal funds are being used effectively. There is some controversy about whether increased federal student aid is replacing rather than supplementing state funding, fueling tuition increases. Empirical studies have shown conflicting results.[2] We do know, however, that even rapid increases in federal Pell grant expenditures—the primary form of federal grant aid, which supports low- and moderate-income undergraduate students—have not been sufficient to maintain the grants' purchasing power relative to public college tuition (Baum et al. 2016, figure 19).

Persistent inequality in educational outcomes across states and demographic groups increases the pressure on the federal government to influence state-based public higher education policies. Variation across states in cost of living, tax capacity, and public higher education spending stratify college opportunities by geography. Moreover, six-year completion rates for students who first enrolled in four-year public colleges and universities in fall 2010 ranged from 31 percent in Nevada and 40 percent in Utah to 78 percent in Virginia and 82 percent in Iowa. The percentage of students beginning in two-year public colleges who earned a degree within six years ranged from 32 percent in California and 33 percent in Oregon to 58 percent in North Dakota and 61 percent in South Dakota (Shapiro et al. 2016).

Black and Hispanic students are much less likely than white and Asian students to earn a bachelor's degree. Black and Hispanic students more frequently earn associate degrees and undergraduate certificates, but the percentage of students first enrolled in 2003–04 who earned any credential by 2009 ranged from 37 percent of black students and 41 percent of Hispanic students to 54 percent of white students and 58 percent of Asian students. Differences by family income are also stark. Among dependent students from the lowest family income quartile, 26 percent earned a bachelor's degree and 45 percent earned any credential by 2009. In contrast, 59 percent of students from the highest family income quartile earned a bachelor's degree and 68 percent earned any credential (table 2).[3]

Given this situation, the federal government has sought to improve outcomes. Increased federal commitment leads to more federal monitoring of student and institutional outcomes. Although neither level of government has challenged the nation's long-standing practice of leaving primary responsibility for higher education to the states, the partnership is changing.

TABLE 2

Educational Attainment by 2009 of Undergraduate Students Beginning in 2003–04

	Bachelor's degree	Any credential
All	31%	50%
Race/ethnicity		
White (62%)	36%	54%
Black (14%)	17%	37%
Hispanic (15%)	17%	41%
Asian (5%)	46%	58%
Other (5%)	27%	43%
Dependent student's family income, 2003–04		
Lowest quartile: less than $32,000	26%	45%
Second quartile: $32,000–$59,999	36%	54%
Third quartile: $60,000–$91,999	45%	59%
Highest quartile: $92,000 or more	59%	68%

Source: NCES, Beginning Postsecondary Students Longitudinal Study 2009, PowerStats.

Federal Aid to States

The 10th Amendment to the US Constitution lays out separate roles for the federal and state governments. Since the 1850s, the pendulum has swung between a "dual federalism" view, whereby the federal and state governments are sovereign and equal, with federal powers limited to those explicitly stated in the Constitution, to the "cooperative federalism" view, which has held more sway since the dramatic increase in the federal role during the Great Depression and the New Deal. The latter framework gives priority to the federal government. But some powers such as fire and police protection (generally delegated to local governments)—and education—are still reserved for the states.

Federal grants-in-aid are a primary tool of cooperative federalism. Today, federal funds constitute almost one-third of state revenues, with significant variation by state (Galston and Davis 2014). States with the lowest ratios of federal funding to state tax revenue tend have high family incomes and taxation rates, particularly states on the coasts and those with large and affluent metropolitan areas (e.g., Minnesota and Illinois). States with the highest ratios of federal funding to state tax revenue tend to be southern and midwestern states with lower tax rates and relatively large low-income populations.[4] Mississippi is the top recipient of federal aid as a share of state revenue, with 40.9 percent of its revenue coming from the federal government, whereas the federal aid share of North Dakota's total revenue is just 16.8 percent (table 3).

TABLE 3

Federal Aid as a Percentage of State General Revenue, Fiscal Year 2014

State	Percentage	State	Percentage
North Dakota	16.8%	North Carolina	32.7%
Virginia	22.8%	New York	32.8%
Connecticut	24.6%	Indiana	33.0%
Nevada	24.8%	Florida	33.2%
Hawaii	24.8%	Arkansas	33.5%
Kansas	25.5%	Vermont	33.5%
Minnesota	25.5%	Idaho	33.8%
California	26.0%	Oklahoma	34.0%
Delaware	26.7%	New Mexico	34.5%
Illinois	26.8%	Rhode Island	34.7%
Alaska	26.9%	West Virginia	34.8%
New Jersey	27.3%	Alabama	34.9%
Massachusetts	27.8%	Ohio	35.0%
Wisconsin	27.8%	Wyoming	35.5%
New Hampshire	28.1%	Arizona	35.9%
Utah	28.1%	Oregon	36.0%
Colorado	29.1%	Maine	36.6%
Washington	29.2%	Georgia	36.7%
Maryland	29.4%	South Dakota	37.2%
South Carolina	30.7%	Missouri	38.0%
Pennsylvania	30.8%	Kentucky	38.5%
Nebraska	31.0%	Montana	39.1%
Texas	31.8%	Tennessee	39.9%
Michigan	32.3%	Louisiana	40.1%
Iowa	32.6%	Mississippi	40.9%

Source: Morgan Scarboro, "Which States Rely the Most on Federal Aid?" Tax Foundation, January 11, 2017, http://taxfoundation.org/blog/which-states-rely-most-federal-aid-1.
Note: States are listed in ascending order by percentage of state general revenue.

The Rationale for Revenue Sharing

Transferring federal funds to state governments provides states more stable funding. It allows the federal government to influence state spending patterns and leaves program administration to the states. Supplying funds does not necessarily mean the federal government will dictate or carry out specific activities. Even in the context of increasing the influence of federal priorities, state and local governments may be better positioned to understand their communities' needs and to oversee local activity.

A Source of More Stable Funding

Some of the arguments for federal funding of state activities are based on the federal government's capacity for raising revenue. Unlike state governments, the federal government can borrow easily and does not have to balance its budget every year. Federal revenue can counteract cyclical changes in state revenue, which tends to decline when incomes decline (and needs increase). In higher education, constrained state revenues when the economy is weak combine with increasing enrollment and reduced household ability to pay to put severe pressure on public higher education funding. Large increases in federal student aid in 2009 and 2010 helped relieve some of this pressure during the recent recession. Further, tax bases across states vary considerably, and the federal government can redistribute funds to states with the fewest resources.

Furthering New Needs and National Priorities

Many examples of the expanding federal role are in areas where a new need emerges, not areas where states have historically taken responsibility, but the responsibility shifts to a different level of government. For example, the federal government funded the interstate highway system as people increasingly needed to move across state lines for economic reasons and as national defense issues became salient. Although states had historically been responsible for roads, no system of interstate highways existed until the federal government created it. Similarly, the federal government developed the Medicaid system in the 1960s to fill an unmet need for access to health care but left a portion of the funding and most of the details and management to the states.

Devolution of Responsibility

In some cases, federal grants-in-aid have reshaped existing programs, devolving responsibility from the federal government to the states. The 1996 legislation that replaced Aid to Families with Dependent Children with the Temporary Assistance to Needy Families program, with its reliance on block grants to states, shifted much discretion from the federal to the state level. This devolution of responsibility led to a dramatic decline in the funds available to support low-income families and to the diversion of some funds away from their core purpose of providing cash assistance. In 2014, with discretion through block grants and enabling legislation, states spent just one-quarter of their funds on cash assistance for needy families (Bitler and Hoynes 2016).

Similarly, replacing the current Medicaid entitlement program with a block grant program or per capita caps would represent a move away from federal responsibility for providing access to health care for low-income households.[5]

The block grant approach was introduced by Nixon and gained traction during the Reagan era of devolution of powers to the states.[6] State and local governments may be better positioned to understand their communities' needs and to oversee local activity. But the federal goals underlying these policies, such as income support and access to health care for disadvantaged families, are likely to take a backseat to other state priorities when the federal government distances itself from policy implementation.

Providing Incentives for State Coinvestment

The federal government also supports grants-in-aid to provide incentives to states to spend more than they otherwise would on a federally determined priority. These grants may be allocated by formula or through competition. Formula funding (e.g., allocating federal Highway Trust Fund dollars) depends on state circumstances and characteristics and usually comes with more restrictions and requirements than block grants. Grants for specific projects are even more narrowly defined (Galston and Davis 2014). In addition to differences in the restrictions and prescriptiveness of federal funding programs for states, a key feature is the matching requirement. Both Medicaid and Highway Trust Fund transfers require states to match a portion of federal dollars. Other programs include "maintenance-of-effort" requirements to minimize how much states use federal funds to replace rather than supplement their own.

The requirements the federal government can impose on states in exchange for funding are limited. This lesson was clear in the Supreme Court decision overturning the federal mandate for states to expand Medicaid coverage under the Patient Protection and Affordable Care Act (ACA). The court ruled that the ACA unconstitutionally coerced states into adopting the Medicaid expansion by threatening the loss of all federal Medicaid funds if a state decided not to expand.[7]

Federal-State Partnerships in Transportation

Roads were initially a state and local responsibility. The federal government later developed "post roads" so mail could be delivered. But the idea that highways could be a national system did not take hold until the 1956 signing of the Federal-Aid Highway Act. The bill established a federal gasoline tax to fund the Highway Trust Fund, which would pay 90 percent of the cost of creating interstate highways. Before 1956, several transportation acts had been vetoed on the grounds that transportation was not an appropriate area for federal action.

The federal gasoline tax is a user fee. The highway system requires highway users to pay the costs, with federal collection of the tax facilitating interstate travel. The concept is different from devoting general federal revenues to transportation expenses. The analogy in higher education would be reliance on tuition and fees or on tax revenue collected from students, not the use of general tax revenue, to fund higher education.

Impetus for a Federal Role

The national rail system was developed primarily by the private sector. The equivalent of charging businesses for using the rails to transport people and goods is collecting tolls, which works for some roads. But the national interest in an interconnected system of highways and roads generated a strong consensus that public funding was necessary and appropriate. Policymakers have argued that leaving transportation financing entirely to the states would have left parts of the country with inadequate infrastructure, potentially affecting the entire nation.

Like higher education, roads can be a powerful economic engine. The entire country benefits from a strong system of roads across the nation. Areas and individuals left out of the system because of a shortage of resources are likely to fall further behind because they cannot fully participate in the economy. Absent other subsidies, dependence on tolls for financing roads is likely to leave rural areas behind, not unlike the problems generated by the increasing reliance on tuition in public postsecondary education (Dilger 2015).

But national defense was also a key factor in the changing transportation landscape of the Cold War era. Participation in a military convoy that took two months to travel from Washington, DC, to San Francisco helped convince President Eisenhower of the need for a strong network of interstate highways. Political support for an increased federal role rested on the idea that an interstate highway system would facilitate the movement of troops, equipment, and citizens during war.[8]

How Financing Is Shared between States and the Federal Government

States accepted federal funds to supplement their own for building the interstate highway system, but preserved most decisionmaking power. As successful as the federal-state partnership was in building this system, the process has not always been smooth. National environmental concerns do not have the same widespread acceptance as safety concerns, and the federal government insisted on stronger regional planning programs than the states might have developed on their own. The federal government has also imposed requirements for practices such as paying union wages and employing minority contractors. Now that the interstate highway system has been established, tensions between state and federal powers have grown.

The federal government provides about 25 percent of the combined funding for highways and other transit. The states provide 40 percent, and local governments provide 35 percent.[9] The Highway Trust Fund aggregates and allocates federal fuel tax revenue (18.4 cents a gallon of gas and 24.4 cents a gallon of diesel, plus taxes on tires and batteries) to states for two national priorities: surface and other road construction projects and mass transit projects. Most funding flows to state and local governments on a formula basis, incorporating measures of need such as miles traveled, lane miles, and the amount of federal gasoline taxes collected in the state, although some funds are awarded competitively.

The combination of the formula and the variation in spending patterns across states generates differences in the share of transportation funding that comes from the federal government. Between 2008 and 2012, the federal government provided $250 or more per capita in 7 states and the District of Columbia, compared with less than $150 in 14 states. The percentage of a state's total funding for surface transportation coming from the federal government ranged from 55 percent in Montana to just 15 percent in New York (where the public transit system accounts for a large fraction of surface transportation expenditures) (Pew 2014).

These differences generate some competition among states in designing the highway funding formula when it is up for reauthorization. Some states contribute more to the Highway Trust Fund than they get back, and others receive significant transfers. This issue comes to the fore because of the dedicated revenue source. Funding from general revenue would not involve the same visible redistribution.

The recent funding decline for surface transportation has been acute, and the federal-state transportation partnership is under threat because of a funding shortage. Combined state, local, and federal spending fell by $27 billion, or 12 percent, between 2002 and 2011. State expenditures fell most, dropping by $20 billion, or 20 percent. Federal spending declined 4 percent (Pew 2014).

The federal gasoline tax has not risen in years, and the Highway Trust Fund has spent more than it has taken in for several years. Gasoline taxes are generally fixed per gallon and do not rise as gasoline prices rise. The federal gas tax has been 18.4 cents a gallon since 1993. Many states have not increased their gas taxes in years. But some states are finding ways to increase revenue to fund transportation. Virginia replaced its 17.5-cents-a-gallon gas tax with a 3.5 percent tax on the wholesale price of gasoline and an increase in its retail sales tax. Maryland indexed its gas tax to both general inflation and gas prices. Other states are considering similar measures.

Current annual spending from the Highway Trust Fund for highways and transit exceeds its revenue from taxes collected on gasoline, diesel fuel, and other transportation-related products and activities. Congress has transferred billions of dollars from the US Treasury's general fund to the Highway Trust Fund to keep it solvent (Kile 2015).

One of the pressures for greater federal involvement has come from inadequate state funding. As is the case in higher education, the stagnation or decline in overall funding understates the problem. Just as enrollment has grown rapidly in higher education, making current funding inadequate, traffic in the United States has nearly doubled since 1980, but highway capacity is virtually unchanged.[10] Pressure for more money from both state and federal governments to meet the increasing demands of a growing population will likely continue.

Regulations and Oversight

The thousands of federal transportation grants to state and local governments are guided by federal regulations consolidated into uniform regulations issued by the Office of Management and Budget in December 2013. The "Super Circular" includes regulations and subregulatory guidance on safety, environmental compliance, Buy America rules, and other issues where the federal government demands compliance to provide funding.[11] Strict federal regulations about state and local transportation planning are a particular issue, sometimes leading states to designate stretches of road as nonfederal to avoid compliance.

Common Metrics

Reforms in 2014 introduced new performance measures in a common dashboard designed to govern permitting for major infrastructure projects. Common federal performance measures track how states' project choices affect safety and overall highway conditions. Further, the federal government negotiates with states and localities over goals and performance agreements, requiring consideration of federal goals in safety, mass transit, bike and pedestrian options, and other transportation priorities.

Conditions for Cost or Price Control

Expenditures on the transit system are limited by available funding. But cost and prices are not the salient issues they are for health care and higher education. Consumers pay tolls and mass transit fares, and these prices can be significant factors in household budgets. And producing quality infrastructure efficiently to minimize costs is important. Federal regulations attempt to control indirect costs and terms for allowable cost sharing or matching. But this differs from higher education, where the prices students pay are a central motivation behind federal engagement.

The Federal Government's Technical Expertise

The transportation system needed technical expertise, particularly when the federal role expanded. Engineers who understood how to build roads safely and efficiently were critical to the interstate highway project and to all aspects of the transportation infrastructure. This need for technical expertise distinguishes the transportation system from the education system and other public policy areas. Expertise is required to develop high-quality colleges and universities, but measuring quality in this area is more subjective. Convincing states that the federal government has the answers is different than providing engineering assistance. Transportation has more room for federal influence that does not imply that federal judgments and values are superseding those of the states.

The Shifting Balance

The federal government's transfer of funds to the states does not come without strings. Generally, state and local governments must match some federal funding with their own revenue. They must also follow rules that govern federally funded projects. These include developing regional transportation plans, paying workers at least the local prevailing wage, conducting environmental reviews, and purchasing equipment and construction materials domestically. The federal government has also used its leverage in transportation funding to influence policies in other areas. For example, states were induced to raise the drinking age to 21 to maintain their discretionary highway funding levels.

Although the Highway Trust Fund originally funded only highways, political pressures led to the inclusion of mass transit and other activities. In the 1970s and 1980s, earmarking funds for special projects became more common, and national priorities sometimes took a backseat.[12]

Congress has granted states more flexibility in how they spend their highway funds. The 2015 reauthorization of the federal transportation program, the Fixing America's Surface Transportation Act, combines several programs into a block grant and emphasizes state decisionmaking authority (Dilger 2015).

Federal-State Partnerships in Health Care

The two areas of health care policy most relevant for this discussion of federal-state partnerships are Medicaid and the Affordable Care Act (ACA). Medicaid is a state-administered program that relies on federal matching funds. States have considerable flexibility in setting eligibility requirements and defining benefits, but the federal government imposes extensive rules and regulations.

The Children's Health Insurance Program (CHIP), implemented in 1997, is also a federal-state partnership. It provides health insurance coverage to low-income children not eligible for Medicaid and has a higher federal match rate for state funds than Medicaid does. CHIP is a block grant program administered by states, according to federal requirements.

The ACA's primary goal is to expand health insurance coverage without increasing the deficit. In addition to imposing individual and employer mandates, the legislation facilitates a deeper state-federal partnership for health care through Medicaid expansion and creation of American Health Benefit Exchanges, through which low-income people who make too much to qualify for Medicaid can buy private insurance with sliding-scale premiums and cost-sharing subsidies. It also provides new federal consumer protections for all insurance markets. In 2011, states were allowed to expand Medicaid eligibility to all children, parents, and childless adults under age 65 who are not entitled to Medicare and who have a family income up to 133 percent of the federal poverty level.

Impetus for a Federal Role

When the Medicaid system was implemented in 1965, no state-based health care system existed. Medicaid provided a new service. It did not replace a state-based system with a federal-state partnership. Nonetheless, it took time for all states to participate. Only 26 states entered Medicaid in 1966 (the same number that expanded Medicaid in 2014), and Arizona did not join until 1982.

The ACA is the most significant recent change in the state-federal partnership for any domestic policy priority. Affordable Care Act provisions expand access to insurance, increase consumer protections, emphasize prevention and wellness, expand the health workforce, and attempt to control rising health care costs and improve quality of care. States are integral to implementing the ACA.

Many innovations in the ACA, including the temporary high-risk pools that operated between passage in 2010 and full implementation in 2014, premium assistance programs, requirements for young adults to be eligible for their parents' insurance plans, insurance exchanges, and even the individual mandate first enacted in Massachusetts, came from state experimentation. But the federal government took the lead in developing the ACA program and providing incentives for states to participate. This national agenda faces considerable resistance at the state level and among many members of Congress. Most opposition to the ACA reflects a dispute about the proper role of the federal government—or of government more generally—not a disagreement on health policy goals.

How Financing Is Shared between States and the Federal Government

Since its inception, Medicaid has been a shared financing partnership between states and the federal government. The Federal Medical Assistance Percentage guarantees the federal government will provide at least $1 in funding for each $1 a state spends on Medicaid. Each state's Federal Medical Assistance Percentage rate is determined by a formula that allows higher matching rates for states with lower levels of personal income. The federal government provides 50 to 75 percent of total Medicaid expenditures. Mississippi, with the nation's lowest per capita income, gets $2.79 in federal funds for every $1 it spends on Medicaid (Snyder and Rudowitz 2015). The match rates for some services and populations are higher.

To receive federal funding, states must provide certain minimum benefits and cover specified populations. But states have broad flexibility to cover additional groups and provide additional benefits. Some states with higher personal income levels and lower match rates receive more federal funding per low-income resident because they spend more of their own money on Medicaid and provide more generous benefits.[13]

Under the ACA, the federal government paid 100 percent of the costs for newly covered individuals from 2014 to 2016, falling to 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, and 90 percent in 2020 (and for all subsequent years), assuming no change in federal policy.

Regulations and Oversight

The ACA includes a maintenance-of-effort provision for state Medicaid and CHIP. In addition, states are required to create state-based insurance exchanges to help individuals and small businesses purchase insurance, improve outreach and enrollment for Medicaid, coordinate Medicaid eligibility with the new health benefit exchange, and submit annual reports on Medicaid enrollment. Competitive incentive grants to states are authorized to improve delivery and quality of payment for services, prevent chronic diseases in Medicaid enrollees, and coordinate care for individuals who qualify for both Medicaid and Medicare.

To avoid supplanting state funds and to promote CHIP's increased coverage objective, federal legislation prohibits states from claiming CHIP's higher federal match rate for children for whom the lower Medicaid match rate is applicable. In addition to managing federal costs and preventing supplanting, this provision protects Medicaid-eligible children's more comprehensive benefits and guarantees coverage. This "screen and enroll" provision led to simplified enrollment processes and procedures for both Medicaid and CHIP (Lewit 2014).

Common Metrics

The ACA establishes a new, common calculation for income eligibility. Before the ACA, states could set their own eligibility levels and income definitions. Since 2014, states must use the Modified Adjusted Gross Income for eligibility determination for most applicants.

CHIP requires extensive state reporting on quantitative and qualitative measures aligned to the program objectives. These include the number and demographic characteristics of children enrolled, spending rates, and measures to prevent unintended consequences such as moving insured children from private to public coverage. CHIP raises performance standards on several criteria. Predictable issues of data collection costs, data definition comparability, and overall state burden arose when implementing these common metrics.

Conditions for Cost or Price Control

Government payments under Medicaid and CHIP differ in fundamental ways from federal payments for higher education through the student aid system. States negotiate prices and set payments so that providers receive lower payments for patients in these programs than for other patients. The health care programs do not provide vouchers to people to use as they choose. Controlling the cost of health care remains a challenging problem, but the payment structures do not, by and large, raise the same questions as those in the higher education system.

The ACA includes performance funding for hospitals, long-term care hospitals, inpatient rehabilitation facilities, and hospice providers receiving Medicare payments. The Physician Quality Reporting Initiative provides incentives for physicians to report quality data. Payments have been tied to performance on high-cost conditions such as cardiac, surgical, and pneumonia care since fiscal year 2013. Penalties are assessed for nonparticipating providers.

The Federal Government's Technical Expertise

The health care field has no analogue to the federal government's technical expertise in transportation infrastructure engineering. The issue, in this case, is not medical expertise, but which level of government is most likely to develop effective structures to deliver affordable health care to the population at acceptable social and private cost. Medicaid and the federal Medicare program for the elderly have lower administrative costs than private insurers.

Seventeen states and the District of Columbia have their own exchanges.[14] The remaining states rely on the federal exchange established by the ACA. The process has been challenging at both levels, and policymakers do not agree about the optimal path for the future.

The Shifting Balance

Affordable Care Act implementation represents an increase in the federal government's role in the nation's health care. Medicaid, Medicare, and CHIP were also major steps in this direction. The optimal federal role is a matter of major debate. But in all these cases, the federal government provided a service most states were not. Some states had moved toward universal coverage before the ACA, but the federal government did not take over existing state health care services. It began funding new services while increasing its regulation of state insurance markets and providing incentives for states to increase access to health care. Increases in federal funds flowing to states were financed partly through higher taxes on high-income households and partly through cost-saving reforms in Medicare.

Federal-State Partnerships in Elementary and Secondary Education

Providing elementary and secondary education is a state obligation. All states have mandatory attendance laws, but those laws were implemented over many years, beginning with Massachusetts in 1852 and ending with Mississippi in 1918 (Katz 1976). Each state has its own requirements for ensuring equity, and state courts have rendered decisions about enforcing these requirements. But the federal government imposes requirements on states, with the Civil Rights Act and the Elementary and Secondary Education Act perhaps the most visible instances of this role. The federal government provides some funding for K–12 education and imposes restrictions associated with that funding.

Impetus for a Federal Role

The federal role in elementary and secondary education emerged during the Great Society out of a national concern over inequity in state and local educational spending and the harmful impact it had on African American students, particularly in formerly segregated southern schools (McClure 2008). The funding (known as Title I) flowed directly to states to target racial inequities, but over time, states spread federal dollars over more districts with fewer disadvantaged students.

To refocus the federal-state relationship on students with the greatest need, President George W. Bush proposed and Congress adopted No Child Left Behind (NCLB). Passed in 2002, the legislation required that each demographic subgroup of students achieve "adequate yearly progress" as measured by test scores. Failure to make adequate progress would subject schools to severe sanctions, including closure. Many schools failed to keep up with the demands for improvement built into NCLB, and waivers to NCLB granted by the US Department of Education (without congressional input or approval) became increasingly common. Obtaining a waiver required undertaking interventions determined by the secretary of education. This practice gave the secretary substantial authority over state education policies. Bipartisan dissatisfaction with the dramatic increase in the federal role in elementary and secondary education led to the replacement of NCLB. The Every Student Succeeds Act of 2015 shifted the balance of authority in the partnership back to the states.[15]

How Financing Is Shared between States and the Federal Government

Beginning in 1965, the federal government increased its role in elementary and secondary education to equalize financing for low-income students through formula-based Title I grants paid directly to local school districts. In the 2015–16 school year, the federal government spent nearly $15 billion in Title I funds (US Department of Education 2016). In exchange, school districts and states must maintain spending levels. States, schools, and districts must show the federal money is supplementing state or local funding. Further, a district may not reduce state or local funding more than 10 percent from one year to the next.

Title I is the largest federal education program, comprising almost 30 percent of federal elementary and secondary funding, but in 2013–14, the federal government contributed 9 percent of the total $623 billion in revenue available to elementary and secondary schools.[16] The federal share rose with the implementation of Title I but has declined since 2010–11 (table 4).

TABLE 4

Revenue for Public Elementary and Secondary Schools by Funding Source, 1969–70 to 2013–14, Selected Years

	Federal	State	Local	Total (billions of 2014 dollars)
1959–60	4%	39%	56%	$118
1969–70	8%	40%	52%	$246
1979–80	10%	47%	43%	$278
1989–90	6%	47%	47%	$378
1999–2000	7%	50%	43%	$513
2004–05	9%	47%	44%	$591
2009–10	13%	43%	44%	$647
2010–11	13%	44%	43%	$636
2011–12	10%	45%	45%	$616
2012–13	9%	45%	45%	$614
2013–14	9%	46%	45%	$623

Source: NCES, *Digest of Education Statistics 2015*, table 235.10.

Regulations and Oversight

The NCLB legislative provisions, regulations, and oversight marked a fundamental increase in the role of the federal government vis-à-vis states in elementary and secondary education. Specifically, NCLB put new conditions on states receiving Title I funding. The new law required that every student in grades three to eight be assessed annually in math, English language arts, and science; that each subgroup of students show improvements in test scores; and that all students be grade-level proficient by 2013–14. States also had to develop accountability systems meeting federal requirements.

Common Metrics

No Child Left Behind did not establish common metrics across states. Math and reading proficiency scores lacked comparability across states because standards varied by state. Further, states were allowed—until 2008—to define high school graduation rates, which generated varying and sometimes inaccurate measures.

Conditions for Cost or Price Control

Price is not an issue in elementary and secondary education because there is no tuition. But cost is an issue. Per student costs of K–12 education increase as states and school districts expand their missions to meet national goals to provide opportunity for low-income and minority students and those with disabilities. Expenditures per student rose 61 percent from $3,350 (in 2014 dollars) in 1959–60 to

$5,390 in 1969–70. Per student expenditures increased 27 percent in inflation-adjusted dollars between 1999–2000 and 2009–10 but declined 7 percent over the next five years.[17] The data do not lead to simple conclusions about the role of the federal-state partnership in determining the cost of elementary and secondary education.

The Federal Government's Technical Expertise

Under NCLB, technical panels of field experts were routinely convened to evaluate state standards, assessments, and accountability plans and make recommendations to the secretary of education. A noteworthy federal technical contribution to states was the development of student-level information systems. Such data systems were not required in federal law but are necessary to provide the student-level assessment data required by NCLB. In addition to offering competitive grants to finance developing and improving these data systems, the federal government convened numerous technical panels to support them. As a policy and management tool for states, these data systems are a lasting legacy of the federal-state partnership that evolved out of NCLB implementation.

The Shifting Balance

Beginning in 2009 with the American Recovery and Reinvestment Act, the Department of Education gave historically large and prescriptive competitive "Race to the Top" grants to states to enact educational policies. The goal was to close achievement gaps and address discrepancies in how states set standards and proficiency scores allowed through the original NCLB flexibility. States were invited to submit proposals that showed comprehensive plans to adopt common college- and career-ready standards and aligned assessments; implement student-level information systems; implement teacher assessment systems, whereby student test scores would be considered for at least 30 percent of a teacher's compensation; remove barriers to charter school expansion; and turn around the lowest-performing schools. Nineteen states received these grants.

As states risked losing federal Title I money because not all students were on track to reach proficiency, pressure grew for relief from the new federal accountability. In 2012, the secretary of education began negotiating waivers to the federal accountability requirements with each state. These waivers were generally conditioned on states adopting standards and assessments acceptable to the Department of Education.

Within four years, the expanded partnership for elementary and secondary education was in crisis. Implementing the Common Core turned issues left historically to educational experts into kitchen table topics, and a national movement of parents and teachers opposed the reforms. Although the Common Core standards did not originate with the federal government, as this opposition bubbled up to statehouses, governors and state superintendents began to advocate for reauthorization of NCLB to curtail the secretary of education's authority in elementary and secondary education policy.

The Every Student Succeeds Act of 2015 reflects the bipartisan response to this national backlash to an expanded federal role in elementary and secondary education. The new legislation maintains requirements for testing, state accountability plans, and strategies for improving the lowest-performing schools. But it significantly limits the federal reach.

Gone is the federal expectation of grade-level proficiency. States now set their own goals around academic progress, with separate goals for student subgroups. Gone are the federal expectations that schools must adopt particular college-ready standards or assessments promoted through federal waivers. Gone are the five federally defined options for state intervention in low-performing schools. Many smaller, categorical grant programs for districts were consolidated into block grants. Priorities for eliminated programs were subsumed into guidance for allowable use of Title I funds. The Every Student Succeeds Act also eliminates the federal school improvement grant program and stipulates that each state must set aside 7 percent of its Title I funds to support low-performing schools in a manner the state determines appropriate. Gone is a single, federal definition of a "highly qualified teacher"; states now define this on their own.

In sum, the federal government has played a significant role in moving K–12 education in the states toward federal equity goals. But the experience in this area shows that finding policies that can be effective and sustainable in attaining federal goals is challenging. There are significant risks both to a hands-off approach and to efforts that reach beyond the federal government's capacity to motivate and guide states and to oversee their performance effectively.

The State-Federal Partnership for Financing Postsecondary Education

The federal-state postsecondary education partnership in its current form differs from the revenue-sharing model that characterizes transportation, health care, and K–12 education. The federal government does not provide the states with funds to operate colleges and universities. Instead, it gives students money to pay for the services public and private colleges provide. The state charges user fees in the form of tuition, and the federal government pays a portion of those user fees. This arrangement puts more distance between the federal government and the state endeavors to which it contributes. There is no required state match, no maintenance-of-effort provision, and minimal federal effort to influence states approaches to providing higher education. Aside from requiring that postsecondary institutions be accredited by federally approved agencies and that they meet a generous threshold for student loan default rates, the federal government allows states to structure, authorize, fund, and operate postsecondary providers as they see fit.

But as the share of costs covered by federal funds has increased, Congress and the executive branch have begun to explore a more active role in monitoring educational outcomes and influencing state funding patterns. The perceived inadequacy of state funding has led advocates to push for more federal funding for student aid, as well as for direct funding to states and institutions to promote access and attainment at the national level.

The federal role should emerge from careful consideration of the strengths and weaknesses of alternative federal-state partnership models, not from the type of ad hoc process that has created the current reality.

Impetus for a Federal Role

The federal provision of financial aid to students rests on concerns about equity and access to education, primarily undergraduate education. Tuition increases beyond general inflation have led to increased federal efforts to fill the gaps in affordability. The federal government also plays a significant role in funding university research, which has a national and global reach.

Arguments for the federal government to ensure quality have been strengthened by increased federal funding. Low completion rates and high student loan default rates raise questions about the value of the education to which federal student aid provides access. Among students who first enrolled at a public four-year institution in fall 2010, 62 percent earned a two- or four-year degree within six years. For students beginning in public two-year colleges, the completion rate was 39 percent (Shapiro et al. 2016). The official three-year federal student loan default rate for borrowers entering repayment in 2012–13 was 11.3 percent, with 7.3 percent of public four-year college borrowers and 18.5 percent from the public two-year sector defaulting on their federal loans.[18] Less than half of student loan borrowers make payments sufficient to reduce the outstanding principal of their debt three years after leaving school. After seven years, 61 percent owe less than the amount of debt with which they left college.[19] These are not the only relevant outcomes, but they are cause for concern.

How Financing Is Shared between States and the Federal Government

States generally fund public institutions directly, but they provide some financial aid directly to students. The federal government generally provides financial aid as vouchers to students, but also provides research funding and additional grants and contracts.

Regulations and Oversight

The federal government does not directly regulate postsecondary institutions. Rather, it sets minimal requirements for institutions' students to be eligible for federal financial aid. For example, schools lose eligibility if their student loan default rates are above a relatively high threshold. The Obama administration implemented gainful employment regulations, setting new loan repayment thresholds for for-profit programs and nondegree programs at nonprofit institutions providing occupational training.[20]

Other areas where the federal government has become increasingly involved include overseeing the handling of sexual violence on campus under Title IX. Title IX of the Education Amendments of 1972 is a federal civil rights law that prohibits discrimination based on sex in federally funded education programs and activities (Office for Civil Rights, n.d.).

Common Metrics

Postsecondary institutions participating in federal student aid programs must submit data annually to the Integrated Postsecondary Education Data System. As a result, the federal government can provide detailed data about institutions, including prices, enrollment, graduation rates, demographics, and financial aid. Institution-level data are publicly available on government websites.[21]

The federal government does not, however, collect student-level data, which are necessary to provide reliable metrics for monitoring the value of different educational paths to students with different characteristics. In 2008, Congress banned the federal government from connecting data on individuals from different agencies. That ban is unlikely to be lifted in the near future.

Conditions for Cost or Price Control

Cost and price are significant issues in discussions of the federal government's role in higher education. The distinction is important. Most concerns focus on published tuition prices. Most public and private nonprofit institutions charge prices lower than the actual cost of educating students. Public institutions rely on state and local appropriations to subsidize students; in the private nonprofit sector, endowment assets and private donations allow many institutions to provide general subsidies. In addition, most four-year institutions provide significant financial aid, making their net tuition revenue lower than published tuition levels would suggest.

State governments have limited influence over program delivery costs, which are affected by institution- and system-level decisions about personnel, benefits, facilities, mix of programs, and the role of research. But through state funding that offsets some program delivery costs, states have direct influence over tuition levels. In addition, some states set tuition annually; some have reduced tuition, as Washington State did in 2016 and Wisconsin is proposing for 2017–18.

Prices vary widely across the nation. In 2016–17, average published tuition and fees at public four-year colleges and universities ranged from $5,055 in Wyoming to $15,650 in New Hampshire (Ma et al. 2016, figure 7). During the 2016 presidential campaign, candidates Hillary Clinton and Bernie Sanders offered proposals for federal oversight of public college prices (in many cases, lowering those prices to $0). The mechanisms for implementing such policies would be complicated, and developing this approach nationwide would significantly change the federal-state partnership in higher education.

The Federal Government's Technical Expertise

Higher education has no parallel to the engineering expertise central to the transportation sector. There could be a federal push for 50-state adoption of voluntarily developed reform strategies (e.g., basing placement into credit-bearing courses on multiple measures, integrating developmental education into credit-bearing coursework, or common lower-division transfer courses). But imagining national standards for higher education similar to the Common Core curriculum for K–12 education is difficult. And the federal government's role in funding basic research is not a matter of expertise, but of national interest in promoting this research.

But because of economies of scale, there is considerable room for federal technical assistance and funding for innovation. Examples include developing innovative modes of instruction, designing more structured educational pathways for students, developing systems for providing effective academic guidance for students, and managing productive uses of technology on campus.

The Shifting Balance

A central question in reviewing the federal-state partnership in higher education is the relationship between increased federal funding for students and institutions and the federal role in ensuring quality and controlling costs and prices. Arguments for the federal role in promoting access and equity across the nation are strong. Ensuring the quality of the educational opportunities to which it provides access is part of that mission. But greater federal involvement in regulating and managing public colleges and universities is unlikely to be popular. The challenge is to increase expectations for quality and transparency about outcomes without standardizing higher education across the nation.

Lessons for Higher Education from Other Policy Areas

National goals for an integrated and safe transportation system, universal access to health care, and equity across socioeconomic groups in access to elementary and secondary education would be more elusive absent a strong federal role. The same is true of reducing inequality in access to high-quality postsecondary educational opportunities. But there is no clear blueprint for designing systems that generate practices in line with national goals and allow flexibility for states while ensuring they will not reduce their own efforts. Moreover, adequate resources remain a challenge even with strong partnerships.

Despite distinctions across public policy areas, general guidelines for higher education emerge from examining partnerships in other policy areas. In the three policy areas discussed above, key tensions include state resistance to federal standards, difficulty maintaining adequate funding at the state and federal levels, and flexibility to adjust a national framework to states' needs and priorities. A successful effort should be directed toward clear national goals. It must be for a mission many states support, have bipartisan support at the national level, provide predictable and reliable federal funding with strong incentives for state participation, and be clear in its requirements while allowing states to innovate and adjust practices to fit their circumstances.[22] In addition to ensuring reliable funding from both federal and state governments, any new legislation should incorporate input from state governments and both parties in Congress. Legislation should provide for state access to customized federal technical expertise.

The history of other policy areas makes clear the importance of flexible rules and regulations and of avoiding perception of federal overreach into state responsibilities. If the federal government were to attempt to exert more control over the prices public colleges charge or the services they offer students, there would surely be strong resistance, leading to many exceptions and waived requirements. In 2015, both the Every Student Succeeds Act for elementary and secondary education and the FAST Act for surface transportation infrastructure loosened federal control. Setting unrealistic goals and punitive sanctions led to a pulling back of federal authority over K–12 education. Concerns about the costs to states imposed by federal regulations have led to the easing of restrictions in the transportation area. Health care policy might well move in the same direction under the current administration.

Some key issues that arise in the overviews of the federal-state partnerships in transportation, health care, and K–12 education deserve attention in considering potential strategies for a partnership to strengthen higher education's role in increasing opportunities for individuals across the nation to be as productive as possible. For example, in elementary and secondary education and higher education, an increased federal role represents a shift from existing institutional structures. The interstate highway system and guaranteed health care coverage did not exist at the state level before the federal government took responsibility for these endeavors. The resistance to an increased federal role in K–12 education may be a better predictor of the problems facing increased federal involvement in public higher education.

Federal funding for highways comes primarily from user fees as taxes on gasoline and other transportation-related products and activities. Reliance on general revenue is a stopgap measure in the face of revenue shortfalls. In K–12 education, access and equity goals eliminate the option of user fees. In higher education, reliance on user fees in the form of tuition and fee charges for a portion of the funding for higher education is reasonable because of the financial benefits to individuals. But limiting these charges, particularly for students with few resources, is a central motivation for increased federal involvement.

A significant motivation for greater federal involvement in financing higher education would be to provide incentives for states to fund their systems more generously. But in contrast to the health sector, the states provide higher education services, making it difficult to provide incentives for more funding without providing incentives for higher costs. Linking federal subsidies to expenditures would create a disincentive to reduce the cost of educating students.

Another complicating factor is that federal funds go to students enrolled in public, private, nonprofit, and for-profit higher education institutions. The distinction between the federal role in state-based public higher education and in for-profit higher education is critical. The for-profit sector is largely the creation of the federal student financial aid system, which provides most of its revenue. The arguments about state autonomy in the federal-state partnership are specific to public higher education. Stricter regulation of other institutions whose students rely on federal funding may be appropriate.

In transportation, issues such as safety and environmental protection create pressures for a stronger ongoing federal role. In higher education, as in health care and elementary and secondary education, the concern is over access and equity. There is a national interest in educational opportunity and health care coverage for people with limited financial means, including the quality of services provided. There is also a national interest in a skilled and productive workforce, central to the federal role in higher education.

Notably for K–12 education, the equity imperative was served by direct federal grants to states and districts to leverage state and local leadership, accountability systems, and spending to close achievement gaps. Federal leverage of system-level change in higher education will be harder to achieve unless the federal government, in addition to providing funds to students, develops partnerships with state governments that build on the strengths of each level of government to promote national and state interests.

The federal government might fund states and institutions that meet goals for educating targeted groups of students. Rather than just buying down the prices students pay to compensate for state underinvestment, the federal government could directly subsidize its desired outcomes and match state funding for public higher education. Or it could provide each state a fixed amount of money per student or per resident, making that amount dependent on personal income or other economic circumstances. Alternatively, federal funding could go to colleges and universities to induce them to support the success of students from disadvantaged backgrounds.

Federal funding and standards have established strong norms in other policy areas. States and localities cannot leave vulnerable students out of their K–12 education systems. The safety and reach of interstate transportation is of national concern, and the ACA's implementation strengthened the sense of the importance of universal health care coverage. For the last 50 years, the national norm for higher education has been improving access to high-quality, affordable higher education for all who can benefit. However, federal policies have not succeeded in motivating all states to focus on this goal.

Persistent gaps in completion and attainment across socioeconomic groups demand a national goal of reducing barriers to educational attainment and increasing the number of people earning postsecondary credentials that serve them well in the labor market and in meeting personal goals. It is particularly important to increase educational attainment among historically underserved populations, including those from low-income backgrounds and black and Hispanic students. Finding ways to move state systems of higher education closer to meeting these goals without creating counterproductive bureaucratic hurdles or depriving states of the opportunity to meet their own priorities is a challenge the nation must face.

Notes

1. Both the federal and state governments play roles in postsecondary education quality assurance. These roles are relatively well-coordinated and are not the focus of this paper.
2. Some studies show financial aid increases putting upward pressure on the prices students pay, but others do not. According to some observers, federal student aid also drives up prices in the private nonprofit sector, and many believe this is true in the for-profit sector (Stoll, Bradley, and Mahan 2014).
3. NCES, Beginning Postsecondary Students Longitudinal Study 2009, PowerStats.
4. Morgan Scarboro, "Which States Rely the Most on Federal Aid?" Tax Foundation, January 11, 2017, http://taxfoundation.org/blog/which-states-rely-most-federal-aid-1.
5. See Conlan (1988, xiv–xv) for discussion of federal grants to states in various income support programs.

6. “Federalism in the United States,” Wikipedia, last updated March 20, 2017, https://en.wikipedia.org/wiki/Federalism_in_the_United_States.

7. Kevin Russell, “Court holds that states have choice whether to join Medicaid expansion,” *SCOTUSblog*, June 28, 2012, http://www.scotusblog.com/2012/06/court-holds-that-states-have-choice-whether-to-join-medicaid-expansion/.

8. Richard Weingroff, “The Greatest Decade: 1956–1966: Celebrating the 50th Anniversary of the Eisenhower Interstate System,” US Department of Transportation, Federal Highway Administration, last updated January 31, 2017, https://www.fhwa.dot.gov/infrastructure/50interstate.cfm.

9. “Funding Challenges in Highway and Transit,” The Pew Charitable Trusts, Fiscal Federalism Initiative, February 24, 2015, http://www.pewtrusts.org/en/research-and-analysis/analysis/2015/02/24/funding-challenges-in-highway-and-transit-a-federal-state-local-analysis. US Census Bureau Annual Survey of State and Local Government Finances.

10. Bruce Seely, “Infrastructure: The Secret Is the System,” *The Wilson Quarterly*, Spring 2008, http://wilsonquarterly.com/quarterly/spring-2008-backbone-infrastructure-for-americas-future/the-secret-is-the-system/.

11. Linda M. Gehrke, “Supercircular Uniform Administrative Requirements, Cost Principles, and Audit Requirement Policy Changes,” US Department of Transportation, Federal Transit Administration, last updated March 16, 2016, https://www.transit.dot.gov/about/regional-offices/region-8/supercircular-uniform-administrative-requirements-cost-principles.

12. Ibid.

13. Robert B. Helms, “Medicaid on April Fool’s Day: Who Is Being Fooled?” American Enterprise Institute PowerPoint presentation, April 1, 2011, http://www.aei.org/wp-content/uploads/2011/10/Helms-Medicaid-4-1-11.pdf.

14. “State Health Insurance Exchange: State-Run Exchanges,” ObamaCareFacts.com, accessed March 24, 2017, http://obamacarefacts.com/state-health-insurance-exchange/.

15. Alia Wong, “The Bloated Rhetoric of No Child Left Behind’s Demise,” *The Atlantic*, December 9, 2015, https://www.theatlantic.com/education/archive/2015/12/the-bloated-rhetoric-of-no-child-left-behinds-demise/419688/.

16. NCES, *Digest of Education Statistics 2015*, table 235.10.

17. Ibid.

18. “Comparison of FY 2013 Official National Cohort Default Rates to Prior Two Official Cohort Default Rates,” US Department of Education, August 6, 2016, https://www2.ed.gov/offices/OSFAP/defaultmanagement/schooltyperates.pdf.

19. Kim Dancy and Ben Barrett, “Fewer Borrowers Are Repaying their Loans than Previously Thought,” New America Education Policy, January 13, 2017, https://www.newamerica.org/education-policy/edcentral/fewer-borrowers-are-repaying-their-loans-previously-thought/.

20. See “Gainful Employment,” US Department of Education, accessed March 24, 2017, https://www.ed.gov/category/keyword/gainful-employment.

21. See, for example, College Navigator (https://nces.ed.gov/collegenavigator/ and College Scorecard (https://collegescorecard.ed.gov/.

22. See Lewit (2014) for a useful summary of basic principles based on the CHIP experience,

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