STAYING ON THE ISLAND

Higher Education and Reality Politics

INTRODUCTION

In “Survivor,” one of the earliest and best-known offerings of so-called “reality” television, a group of “real” people is assembled on an island in a remote location and put through a series of physical and psychological challenges designed to test their mettle. The goal of the exercise for any individual participant is to be the last person on the island—the sole survivor—who is rewarded with the million-dollar purse. Staying on the island depends on winning ways and the ability to make—and then break—key alliances. Unlucky players are voted off the island by their comrades, and they leave empty-handed. The show’s motto sums up the exercise—“outplay, outwit, outlast.”

The current political climate for higher education policy making calls to mind the challenges of “staying on the island.” The Higher Education Act, signed into law by President Lyndon B. Johnson in 1965, is scheduled for its eighth reauthorization in 2003. Historically a legislative event little noticed outside a fairly small circle of experts, lobbyists, and university administrators, one might reasonably have expected that this reauthorization might be a more significant undertaking in the public sphere.

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1 The views expressed are the author’s and do not represent positions by or on behalf of Harvard University.
In the knowledge economy, education is more important than ever. Over the next 15 years, we will have more students of traditional college age (18 to 24 years) than at any point in our history. A solid majority of Americans believe that a college education is so important that they would send their children regardless of price (Spencer, 1999, p. 102). And the economic returns to higher education are greater than ever—individuals with a college degree earn 75 percent more than those with a high school diploma, with analogous aggregate effects on the economy as a whole.

Public opinion reflects these realities. Since 1996, education has ranked in national surveys as one of the top issues of voter concern (Bendetto, 1996). In a series of polls in late August and early September—before the events of September 11—education was the number one or number two concern—behind only the economy when it was behind at all (The Gallup Organization, 2001; PollingReport.com, 2001). A February 2002 survey by the American Council on Education found that 77 percent of those surveyed believe that a college education is more important today than it was 10 years ago—up from 73 percent in 2000, the last time the survey was conducted (Kellogg, 2002). Thirty years ago, at the time of perhaps the most important legislation in the history of higher education policy, only 2 percent of the American public even listed education among issues of national importance (Spencer, 1999, p. 105).

Politicians across the spectrum have been quick to respond to the public concern with education. President Clinton arrived in Washington in 1993 armed with an education agenda extending from cradle to grave—the expansion of Head Start for preschoolers, Goals 2000 School Reform, revision of the Elementary and Secondary Education Act, School to Work, Student Loan Reform, and National Service—all signed into law within his first two years in office (Spencer, 1999, p. 106). These measures were followed by the Taxpayers Relief Act of 1997, which included more than $40 billion over five years in tax credits aimed at higher education. In 2001, newly elected George W. Bush followed suit, vowing, when he sent his education legislation to Congress on his second day in office, that “bi-partisan education reform will be the cornerstone of my administration” (Bush, 2001c). He delivered on that promise by January 2002, signing into law the Leave No Child Behind Act of 2001 with Senator Kennedy standing at his side. It was one of the few pieces of domestic legislation unrelated to security to win passage in the months following September 11.

In short, education, historically a matter for states, localities, and independent boards of trustees, has achieved manifest political salience on the national scene. Notwithstanding this fact, I will argue that there is little reason to be optimistic that higher education will benefit in terms of either funding priority or policy coherence over the next several years. Even though reauthorization should provide a natural opportunity for comprehensive policy debate, better coordination of programs, and more cogent claims for funding, significant forces lead in a contrary direction. First, the events of September 11 and the ensuing “war on terrorism” changed overnight the context for federal policy making—and subordinated all domestic issues with the possible exception of the economy. Second, the recession, in combination with the large tax cuts passed in June 2001 and the budgetary demands of defense and homeland security, will for the foreseeable future seriously compromise federal domestic discretionary spending, which includes the nonloan portions of student aid. Finally, even within the politics of education, higher education has become a stepchild, competing with elementary and secondary education for attention and funding.

These factors combine to create a challenging political context for higher education policy making in the years immediately ahead—when it should be ascending in terms of political priority, higher education instead risks getting “voted off the island.” This paper aims to anatomize the challenges, explore their interactions, and sort out potential implications for setting policy priorities.
THE POLITICAL CONTEXT

The Transformed Presidency

On Sunday, September 16, four days after the World Trade Center events, The New York Times ran a story on the front page carrying the headline, “In Four Days, a National Crisis Changes Bush’s Presidency” (Sanger and Van Natta, 2001). The story opened as follows:

“President Bush was sitting in a second grade classroom in Sarasota, Fla., on Tuesday morning, his eyes and his smile fixed on 7-year-olds showing off their reading skills. But his mind was clearly fixed on the news he had heard just moments before: a passenger jet had crashed into one of the World Trade Center towers.

At 9:05 a.m., the White House chief of staff, Andrew H. Card Jr., stepped into the classroom and whispered into the president’s right ear, ‘A second plane hit the other tower, and America’s under attack.’…”

In the course of the next four days, George W. Bush was transformed into a president at the helm of a White House, and a nation, in crisis (p. 1).

The events described are significant not only because of what happened to redirect President Bush’s attention and priorities, but also because of where he was sitting when that redirection occurred. Until September 11, President Bush had focused his energies largely on two priorities—tax cuts and education. As of September 11, however, Bush was forced to exit the symbolic—and some would argue, optional—role of a president concerned with education and assume the mandatory duties of commander in chief of a nation under attack.

The Education President—Almost

From the day he assumed office, George W. Bush seemed determined to avenge the failed moniker of his father, the putative “education president,” whose record on education William Clinton parodied to great advantage as he mapped out the most ambitious federal education agenda in history. In a speech to the National Urban League delivered at a key moment in the congressional debate over reauthorization of the Elementary and Secondary Education Act in the summer of 2001, the younger Bush stressed that: “Education is a local responsibility; yet improving our schools is a national goal. And all of us must do our part (Bush, 2001e).” More sweeping still, “The progress of our economy and the future of our children starts [sic] in the classroom. And that’s why education must be our nation’s highest priority” (Bush, 2001d).

Many would argue that even before September 11 education was at best this President Bush’s second priority—some distance behind the $1.35 trillion tax cut, passed in June 2001, as the last major act of a Congress under full Republican control.

Bush’s first budget, submitted in April 2001, called for increases in the Department of Education budget exceeding those for any federal agency (Bush, 2001b). This was a far cry from the 1995 call of former Speaker of the House Newt Gingrich to eliminate the department altogether. And the
The effects of September 11 were manifest swiftly and decisively in the realm of public opinion. Surveys conducted the week following the attacks found a “total reversal in how much people say they trust the government ‘to do what is right’” (McInturff, 2001).² Confidence in government reached a 35-year high, returning to levels not seen since the Vietnam War (McInturff, 2001).

At the same time, public opinion research showed a dramatic drop in consumer confidence beginning shortly after the attack, with a surge of people saying the economy was in recession (McInturff, 2001). This sentiment was later confirmed when the National Bureau of Economic Research (NBER) Business Cycle Dating Committee officially declared the economy in recession in November 2001 (Business Cycle Dating Committee, 2001). The NBER report declared that a peak in business activity occurred in March 2001, marking the end of a cycle of expansion and the beginning of a recession. In short, the events of September 11 appear to have hastened and deepened negative economic trends already in progress.

For education—as for all other domestic policy areas other than security and the economy—these realities mean diminishing priority and shrinking resources. A Fox News poll conducted the week after the attacks asked people an open-ended question about the two most important issues for government to address. The public’s response focused overwhelmingly on two issues: terrorism and the economy. The last time an open-ended question was so clearly confined to two issues was in 1982,
when, in the wake of double-digit unemployment, Americans focused on unemployment and Social Security as the critical issues. Significantly, however, although education—like health care, social security, and Medicare and Medicaid—dropped dramatically in public concern after September 11, it remains the number one domestic policy issue cited after terrorism and the economy (McInturff, 2001).

ECONOMIC AND BUDGETARY REALITIES
Notwithstanding education’s continued relative priority as a political and policy concern, it faces increased competition for significantly shrinking resources. The proven mechanism for promoting access to higher education—financial aid in the form of grants—comes out of the discretionary side of the federal budget. For a long time, the discretionary budget has been under pressure from growing entitlements, and this situation will only get worse as the nation ages. Thus even in the booming economy of the last decade, discretionary spending on federal financial aid did not grow significantly.

More immediate economic trends promise to cause further pressure on domestic discretionary spending. Even before the events of September 11, the stalling economy was beginning to cause a decline in federal revenues, and the $1.35 trillion tax cut passed in June 2001 shrank the pie even further. As has been widely noted, even the whopping price tag of $1.35 trillion understates the actual cost of the tax cut package. Not-so-subtle budget alchemy was employed to keep the tax package within prescribed budgetary limits. Under the circumstances, it was not altogether surprising when the Congressional Budget Office released revised budget estimates in August 2001, projecting a seriously diminished budget surplus.

In a speech to the National Press Club on November 28, 2001, Mitch Daniels, director of the Office of Management and Budget, underscored the challenges facing the federal budget for the foreseeable future. Noting that “we have, within a very short time, experienced a costly convergence of factors that has led to a dramatic shift in both our near- and long-term fiscal prospects,” Daniels provided the following analysis:

“The converging factors are: the recession, the newly necessary spending—imperative spending to deal with the two new threats—the two new needs to defeat terrorism abroad and to defend our homeland. There also have been, coincident with this, new estimates of long-term growth that are somewhat lower than those that all economists, ours, others in the government, and those in the private sector, agreed on just a few short months ago … And this has profound effects, when compounded out over time on the amount of money that we can expect to have available in the federal treasury (Daniels, 2001).”

Adding these factors together, Daniels noted that it was “regrettably” his conclusion that the federal budget would likely remain in deficit until fiscal year 2005. Daniels went on to stress that these budget constraints would inevitably require difficult trade-offs. He noted, for example, that between 1939 and 1944 domestic spending was cut by 22 percent, and by 37 percent between 1942 and 1944 alone. During the Korean War, nondefense spending dropped in one year, from 1950 to 1951, by one-fourth.

President Bush’s first post-September 11 budget confirmed these expectations. Cast as a wartime agenda designed to battle terrorism abroad and keep Americans safe at home, the $2.13 trillion fiscal 2003 budget called for the largest increase in defense spending since the Reagan era ($38.3 billion in new spending) and $18 billion in new funds for domestic security, nearly doubling existing expenditures. In addition, the budget called for an additional $591 billion in tax cuts beyond the $1.35 trillion enacted in June 2001. The administration proposed to pay for these increases by deficit spending and severe constraints on domestic discretionary spending. Increases in nondefense discretionary spending would be limited to 2 percent in categories outside defense and domestic security (Stevenson, 2002).
Given these constraints, education fared comparatively well in the president’s plan. While budgets in six of 14 major cabinet departments were frozen or reduced, the Department of Education was slated for an increase of $1.8 billion, or 3.7 percent, to $50.3 billion. Higher education’s core student financial aid programs, however, were frozen, with no increase in the maximum Pell grant and level funding in College Work-Study, Supplemental Educational Opportunity Grants (SEOG), and Perkins loans.

Federal budget pressures mirror and amplify economic forces that are squeezing higher education—both public systems and private institutions—in fundamental ways. The faltering economy has brought a decline in state revenues, which in turn decreases state support for higher education. Each week brings new stories of sharp tuition rises (University of Minnesota, 12 percent; University of Tennessee, 13 percent; Clemson, 25 percent), building projects deferred or suspended, and professorships going unfilled (Steinberg, 2001). As noted earlier, these economic effects come at a time when the pressures on public systems of higher education, in particular, are large and growing, given significant increases in the number of 18-to-24-year-olds over the next 15 years.

Private higher education institutions face similar pressures, as all revenue sources—endowment returns, gifts, and ability (and willingness) of parents to pay the premium for private higher education—are codetermined by the same economic forces. Thus a downturn in the economy affects the operating budgets of even the best-endowed private colleges and universities in fundamental ways. These institutions, like their public counterparts, will face serious pressure to raise tuition.

Because the political system, reflecting public opinion, is deeply skeptical about the cost of higher education, the net result of rising tuition is to render higher education politically more suspect at precisely the time that competition for domestic federal resources will be significantly more intense (Spencer, 1999, pp. 114–115). In other words, as parents, students, and institutions need more government support to compensate for shrinking resources from states and private sources, federal politicians and policy makers are likely to be preoccupied with issues of cost rather than financial aid.

**HIGHER EDUCATION IN A K–12 WORLD**

Higher education faces competition not only from domestic priorities other than education, but also from the emphasis within the domain of education on the K–12 agenda. Note where President Bush was to be found when he learned of the World Trade Tower calamity. Not in the White House, ready to be hustled to the Situation Room, but parked in a second grade classroom in Sarasota, Florida, endeavoring to increase pressure for passage of the reauthorization of the Elementary and Secondary Education Act, then bottled up in a contentious House-Senate conference committee.

To be sure, higher education has enjoyed a beneficial coattail effect from the public preoccupation with the problems facing our schools. It is K–12 issues that have overwhelmingly driven public concern, but because “education” has achieved sacred cow status, politicians have been loath to cut education funding at any level. Thus traditional higher education programs have been protected and enjoyed moderate increases since 1995, and funding for Pell grants has more than doubled in the last five
years (Burd, 2002). Even though the significant new
money for higher education has been directed to tax ben-
efits (the Hope Scholarship and Lifelong Learning Tax
Credits in the Taxpayer Relief Act of 1997), these new
funds have been accompanied by increases in traditional
student aid programs as well.

**The Attention Problem**

Although higher education has been a collateral benefici-
ary of strong public concern with the state of our nation's
public school systems, the overwhelming emphasis on
K–12 issues has serious implications for higher educa-
tion. The current secretary of education is a former
school superintendent, and the position of assistant sec-
retary for postsecondary education remained unfilled
throughout Bush’s first year (Paige, 2001). Notwithstanding significant rhetorical attention to the
Pell grant program, President Bush’s first budget request-
ed a mere $100 increase in the maximum grant, and the
2003 budget called for level funding of all the key finan-
cial aid programs: work-study, SEOG, and Perkins loans.
The Leveraging Educational Assistance Partnerships
(LEAP) program, which matches each dollar states com-
mit to need-based aid, was eliminated altogether under
the 2003 budget (Burd, 2002).

People talk about the “attention” economy—with
today’s overload of information in all media it is difficult
for any given message or product to get through the noise
to claim the attention of a given customer. Higher educa-
tion faces similar obstacles in the political economy. A
Senate Democratic press conference in early August—the
day after President Bush gave an important speech
addressing issues in the then-pending elementary-sec-
ondary legislation — illustrates the point:

**QUESTION:** Senator Daschle, there’s been a lot of talk
that, with the President’s education package, there still
isn’t time for higher education legislation. Do you see any
time this session to take anything up on the floor?

**SEN. DASCHLE:** Well, I would defer to Senator Dodd.
He has been one of the experts on education, and let me
ask for his comment on that.

**SEN. DODD:** Well, we’ve made good progress on the
Elementary and Secondary Education Act in the confer-
ence. Yesterday, in fact, a number of provisions were
resolved between the House and the Senate, and the
committee staffs are going to work the entire month of
August on some of the thornier questions between the
two bills …

But I’d be more optimistic about having some time to
consider higher education issues in that we’re not looking
at the kind—at least the mood of the conference yester-
day was extremely upbeat and extremely positive and
extremely cooperative. The president’s speech yesterday
[on the Elementary and Secondary Education Act] before
the Urban League was a very positive statement, I think,
on accountability standards [in K–12], the testing and so
forth, looking—to paraphrase his line, it’s not to set tests
or standards that are so high that no one can pass them—
we saw as a very welcome indication. His remarks that he
knows there’s no real need for increased spending in this area
[i.e., K–12 testing] were very constructive statements
to make in those remarks.

**QUESTION:** So there’s still a good likelihood of high-
er education as well?

**SEN. DODD:** Hm?

**QUESTION:** So there still is a good likelihood of high-
er education legislation as well?

**SEN. DODD:** Well, I don’t want to—obviously, Senator Kennedy would be the person to talk directly
about that (Federal News Service, 2001).

**The Leakage Problem**

Even when higher education succeeds in getting the
attention of the public and policy makers, it risks not get-
ting the type of attention it needs. As illustrated by the
rather amusing exchange above, the same political leaders
responsible for our federal higher education policy are
preoccupied with K–12 concerns, creating not only the
problem of attention, but also of carryover. The policy
concerns in elementary and secondary education—quality and accountability—are emphatically not those that have guided the federal approach to higher education since World War II.

In the domain of higher education, the federal government has for the last half century defined its role in narrow, instrumental terms at the margin, leaving operating responsibility and issues of curriculum and quality to states and private boards of trustees. Until the 1990s, when Congress adopted large-scale tax measures directed at education, we chose to fund individual students through mechanisms that rely on the judgment of higher education to trigger the flow of federal funds. A given student’s access to various types of grants and loans—SEOG, Perkins loans, work-study, subsidized and unsubsidized loans—depends on the relationship between eligibility criteria at the federal level and costs, packaging practices, and availability of various funds at the institutional level. Thus federal financial aid funds enter the higher education system in a mechanistic fashion, with important value judgments—such as the kind of education sought by a given individual and the curriculum and cost structure mounted by a given institution—left to other actors.

The federal role in K–12 education is quite different. Public agencies have full operating responsibility for elementary and secondary education, but schooling has historically been quintessentially the subject of “local control.” As the problems with public education have intruded ever more insistently into public consciousness, however, federal policy makers have abandoned their reticence about inserting themselves in this domain. When they do, they concern themselves not with cost and access as in higher education, but with issues that go to the core of the educational experience—the quality of instruction and the academic progress of students.

For large segments of the population, our public schools have failed in their basic educational mission. President Bush expressed the problem as follows in the No Child Left Behind legislation that he sent to the Hill on his second weekday in office:

“Today, nearly 70 percent of inner-city fourth graders are unable to read at a basic level on national reading tests. Our high school seniors trail students in Cyprus and South Africa on international math tests. And nearly a third of our college freshman find they must take a remedial course before they are able to even begin regular college level courses.

Although education is primarily a state and local responsibility, the federal government is partly at fault for tolerating these abysmal results. The federal government currently does not do enough to reward success and sanction failure in our education system (Bush, 2001c, p. 2).”

Bush’s characterization of the problem doubtless has merit. But in public education the issues are complex, and the federal response, in particular, is difficult to fashion. The resulting policy is often diffuse and comprised more of symbolism and bluster than coherent policy content.

Because the federal government does not, in fact, have its hands on the reins of the K–12 educational enterprise, a fundamental problem that goes to the essence of how teachers teach and students learn is dealt with, in federal policy making, in the language of accountability. What we cannot fix, we can at least count, or measure. President Bush again:

“For nearly 40 years, our federal government has tried to improve education with money alone. We invested $158 billion in Title I programs, with great intentions and no measurable result. We’ve been pumping gas into a flooded engine. Just as faith without works is dead, money without reform is fruitless.

Yet, today, after decades of frustration, we’re on the verge of dramatic reform. Schools must have the resources they need, and I support more spending. Local folks must be in charge of local schools, because they’re closest to the children and their challenges. But most of all, we need true accountability, the centerpiece of reform. Consequences for school officials must be determined by proven results for children. Those in authority must show responsibility. The purpose of education is, after all, not
Embodying this focus on accountability, the president asked Congress to pass legislation that would provide for, among other things, annual testing in reading and math in grades 3 through 8 and funding correlated to performance on the tests. Under the president’s plan, federal funds would reward states and schools that improve achievement, and certain funds would be withdrawn from states that permit student performance to decline (Bush, 2001a).

For higher education, the implications of this kind of approach are potentially significant. The U.S. Department of Education Strategic Plan, 2002–2005, released in March 2002, provides a striking example of the leakage problem. Though it purports to encompass education at all levels, its cover page carries President Bush’s trademark K–12 promise, “In this great land called America, no child will be left behind.” More significant, the six goals that comprise the plan reflect overwhelmingly the K–12 emphasis on student achievement, quality, and accountability. Even Goal Five—the one goal actually directed at higher education—is framed in terms that reflect K–12 concerns. Titled “Enhance the Quality Of [italics added] and Access to Higher Education,” the goal, and the means outlined thereunder, elaborate accountability measures at great length, while failing even to mention the core function of the federal government in higher education—providing funds for student aid (U.S. Department of Education, 2002, pp. 64–77).

Responding to an advance release of the Department of Education’s plan, the American Council on Education (ACE) expressed alarm at the notion that the department would assume for itself a direct role in enhancing the quality of institutions of higher education, as distinct from enhancing access to high-quality postsecondary education. Noting that the department’s approach seemed to imply a “significant change in the relationship between colleges and the federal government,” the letter offers a textbook account of the problem of leakage: “[W]e believe that the Department of Education does not appropriately distinguish between the federal role in supporting K–12 and postsecondary education. These are two very different policy environments with respect to funding, accountability, and governance” (Hartle, 2002).

Notwithstanding the penchant of higher education associations to mount rabid defenses of the status quo, the response of the ACE to the department’s strategic plan reflects important values. In the domain of education, characterized historically at the federal level by circumspection and restraint, policy makers now seem content to reach into the heart of the enterprise in the name of ensuring quality and achievement, whether or not they have effective means to do so.

**IMPLICATIONS FOR HIGHER EDUCATION POLICYMAKING**

Teasing out the implications of these broad contextual factors for specific policy agendas is inevitably a speculative exercise, made more so by the fact that there is no broad agreement on how higher education’s core policy goals...
should be framed as we begin to lay the groundwork for reauthorization. If played out in traditional terms, the discussion would doubtless center on a debate between, on one hand, advocates of a single-minded focus on the traditional goal of access for low-income students, and, on the other hand, partisans of a broader agenda that emphasizes academic preparation, incentives for performance and persistence to degree once in college, and national goals such as training in specific subject areas and promoting public service.

In the current political environment, however, sound higher education policy making requires both more focus and greater breadth than suggested above. Breadth stems not from multiplying policy goals within the Higher Education Act, but from recognizing that the act and its reauthorization are one piece of a larger political context involving other forms of financial aid (such as tax benefits), interactions with K–12 education, and political forces subordinating domestic priorities across the board. At the same time, successful policy making requires the determined pursuit of finite and focused goals—such as the unfulfilled yet achievable goal of removing financial barriers to access.

I would suggest that a framework combining strategic focus and broad peripheral vision can be achieved if we approach policy making with the following values in mind: realism, research, reaffirmation of the access commitment, meaningful K–12 linkages, and caution with respect to programmatic coordination.

**Realism**

The inexorable shift in the 1980s and 1990s away from the goal of access for low-income students to the middle-class concern for affordability has been well documented (Spencer, 1999, pp. 110–114). The Taxpayer Relief Act of 1997 established the Hope Scholarship and Lifetime Learning Tax Credits to cover education expenses at a price tag of $12–$15 billion annually once the law is fully phased in. The Economic Growth and Tax Relief Reconciliation Act of 2001 added further tax benefits to pay for education (White House, 2001). By contrast, federal grant programs provided under $9 billion per year as of 2000 (College Board, 2001; Office of Management and Budget, 2001).

Although one can lament the expense and inefficiency of these tax measures, not to mention the opportunity costs for other, proven forms of federal student aid, the pressures that produced these significant new expenditures are likely in the short term to intensify, not diminish. In the aftermath of September 11 and its impact on an already-faltering economy, middle-class parents, perpetually concerned about the cost of college, can only be expected to become more anxious as their own economic circumstances worsen and tuitions once again rise sharply. Furthermore, tax breaks, once enacted, are virtually impossible to repeal.

Realism would suggest, therefore, that we begin this reauthorization cycle with a recognition that the federal government provides, and will continue to provide, financial support for college in various forms across a spectrum of incomes and—once student and parent loans are factored in—across multiple generations. Before deciding on policy priorities, even within the four corners of the Higher Education Act, therefore, it is essential to understand who now receives what amounts of aid and subsidy from which sources, and how these various sources interact in terms of incentives.

**Research**

The tax benefits, beginning with the Hope Scholarship and Lifetime Learning Tax Credits enacted in 1997 and
only now becoming fully phased in, are new enough that their operation on the ground has not yet been analyzed systematically. Although the potential impact of the tax credits has been outlined by scholars and commentators (see, e.g., Kane, 1999, pp. 41–50), their actual use and effects are not yet fully understood.

Starting from the premise that these various mechanisms will be with us for the foreseeable future, framing a research agenda to analyze the internal incentive effects of the tax and student aid systems, as well as the interactions between them, deserves immediate priority. Because middle-class concerns have an inherent advantage in the political process and funding can be expected to remain tight, sound research will be critical in directing scarce resources.

At the same time, it is important to recognize that high-quality research capable of providing comprehensive and accurate data across the complex structure of higher education financing cannot be achieved overnight to meet the demands of the legislative cycle. As higher education economist Thomas Kane has suggested, it is important to distinguish those areas that will admit of analysis in the short term from those that will require a longer time horizon—and commit to both. Otherwise policy makers will never be in a position to make well-grounded policy changes.

REAFFIRMATION OF ACCESS COMMITMENT

Demographic realities over the next 15 years—a large increase in college-age students, a large majority of whom will require financial aid—underscore the need to reaffirm the commitment to access for low-income students as a bedrock goal of federal higher education policy. This imperative has recently been restated and strongly urged in a report by the Advisory Committee on Student Financial Assistance, established by Congress to advise on student aid issues. Access Denied: Restoring the Nation’s Commitment to Equal Educational Opportunity argues that much of the inequity in participation, persistence, and degree completion throughout the educational pipeline can be explained in financial terms alone. According to the report, unmet financial need—the gap between a student’s total educational expenses and available funds from all sources—creates for many students a significant barrier to gaining entrance to, staying in, and completing their chosen courses of study within our institutions of higher education (Advisory Committee, 2001).

By this view, the original aim of the Higher Education Act of 1965—to remove financial barriers to higher education—was an important and achievable goal that remains unfulfilled. The federal government does not and should not play a broad, operational role in higher education, and a single-minded focus on ensuring access is an appropriate, enabling role for the federal government at the margin. Furthermore, the structure enacted in the original legislation—a system of portable financial aid composed of grants, loans, and work-study—has been demonstrably effective in promoting access and in supporting a dynamic system of higher education that fosters individual aspiration and institutional diversity.

This view—that it makes little sense within the context of the Higher Education Act to expand policy goals and diffuse political energy when gains are far more likely to be made through a highly focused effort—has a great deal to recommend it. Given the renewed urgency and relative influence of middle-class concerns and the expense and near-permanence of tax benefits, however, it may appear futile to argue for a renewed commitment to access. On the other hand, as noted above, the events of September 11 had an immediate (though one does not yet know how durable) effect on the view of the public toward government. For the first time since the early Johnson years, confidence in government has risen dramatically, and the public seems more open than it has in recent years to the notion that government can and should compensate for gaps in what the private sector, left entirely to its own devices, will deliver. Add to this the post–September 11 outpouring of support for public
service and community values—witness the reverence for police and firefighters, the most visible public servants—and there is some reason for optimism that policy makers and the public may begin to think in a more disciplined and other-directed way about the role government should play across a broad range of areas.

Of course it is one thing to assert a value, and quite another to fund it. It will be enormously difficult to materially increase grant funding for higher education. Pressures on domestic discretionary spending, already large and growing because of demographic forces and entitlement obligations set in motion long ago, have increased dramatically because of the economic downturn and spending to meet military and homeland security needs. Arguably, the main source of optimism in this area is precisely the starkness of the trade-offs that will have to be made across the federal budget. If progress is made, as suggested above, in articulating the importance of the access goal with clarity and focus, traditional financial aid programs may compete relatively better for scarce resources than for a portion of larger, more diffuse expenditures.

**Meaningful K–12 Linkages**

Because of the dominance of K–12 concerns within the politics of education, it would be wise for higher education advocates to develop meaningful policy proposals that will link the two domains in areas of central, common concern. From the point of view of higher education, these would be measures that will, on a systematic basis, produce students actually prepared to do the work and succeed at the college level. From the K–12 perspective, such results would occur if higher education were to contribute in meaningful ways to the enormously difficult task of improving public education. The point here is not to pander to the current preoccupation of the political system with K–12 concerns, but rather to place those concerns in a context that makes sense in terms of higher education policy.

That context needs to extend beyond the traditional focus of reauthorization on specific measures that augment the financial aid system by offering mentoring, academic support, and other tailored assistance to disadvantaged students who need substantive as well as financial assistance to prepare for, and then succeed in, college. The TRIO programs, included in the Higher Education Act of 1965, were an early and successful example of such efforts, and President Clinton’s GEAR UP program, which helps groups of middle school students prepare for college, is a more recent addition. These programs have been enormously successful for the students they reach, but they are expensive on a per-pupil basis, and they have never been scaled up to reach the many students underserved by our K–12 system. In a highly constrained budgetary environment, it is unlikely that we will expand meaningfully programs that entail intensive work with small groups of students.

Instead, higher education should look to those points of intersection with K–12 education that can affect education as a system—namely, enriching the talent pool for and training of teachers and bringing to bear on practice in the classroom the results of education research developed at our universities. This agenda, like tax benefits, plainly extends beyond the four corners of the Higher Education Act, but the federal government clearly has a role to play in this larger domain. In thinking through questions of preparation, persistence, and performance in the context of reauthorization, it is important that we bear this greater framework in mind.

An affirmative agenda linking higher education with school improvement is important not only on the merits, but also as a means of trying to preserve some policy integrity in higher education. As illustrated by the Department of Education Strategic Plan, discussed above, if higher education does not attempt to develop meaningful substantive connections within a framework that properly contextualizes higher education and K–12 concerns, politically expedient and counterproductive measures will inevitably be imposed by others.
CAUTION WITH RESPECT TO PROGRAMMATIC COORDINATION

By almost any view, the financial aid structure for higher education—combining resources from multiple sources with multiple, often conflicting, objectives—is overly complex and inefficient. For low-income individuals who may not have the support of college-educated parents or sophisticated guidance counselors, the process of applying for aid can itself be a barrier to college aspiration and entrance. From the point of view of the “system,” much of the aid is not well targeted and the interaction of forms of aid with conflicting objectives can result in perverse effects.

The call for simplification and better coordination was a major emphasis in the reauthorization of 1992, which made important progress with the simplified federal form for financial aid. But the larger problem of the interaction of need- and merit-based aid, of traditional financial aid and tax benefits, of student and parent, subsidized and unsubsidized, private and credit card loans has yielded more, not less, complexity in the decade since 1992.

It is thus hard to argue with a desire for better coordination among the many types and sources of student aid. More effective coordination and targeting assumes that funds from a variety of sources—federal, state, and institutional—would be administered such that for a given academically prepared student, financial needs are not over- or under met. It would suggest that we spend less public and institutional money on merit aid not tied to need. And it would mean that we pay attention to students early enough in the educational pipeline to increase the number of students served and the likelihood that a given student will persist with his or her education through high school and completion of a college degree.

As manifestly beneficial as these goals are, there is reason to be cautious with respect to embarking on any agenda that might be considered an overhaul of the student aid system. As noted above, we are currently on a path away from, rather than toward, more targeted aid. Achieving greater coordination would require, therefore, significant policy and programmatic shifts that are potentially dangerous in the absence of a secure funding environment.

Here, it is important to distinguish the coordination and targeting agenda from the research agenda. Sound research that examines the current subsidies to students at different income levels and the incentive effects of different types of aid is critical to intelligent policy making over the next several years. However, achieving analytical clarity should not be conflated with achieving programmatic clarity on the ground. In the current environment, the latter goal is uncertain at best, and dangerous at worst.

CONCLUSION

The Higher Education Act of 1965 was signed into law in a climate in which the government was understood to have a clear and important role to play. The policy objectives of the legislation were few, its instrumentalities were clean, its partnerships and pipeline mechanisms straightforward. Four decades later, the instrumentalities of the Act remain in place, and they remain effective. But the political and policy making environment for higher education has grown considerably more complex with the introduction of large-scale tax benefits, the preoccupa-
tion with K–12 concerns, and the subordination of all budgetary and policy priorities to questions of national defense and security at home.

As we approach the next reauthorization, sound policy making requires that we focus with clarity and intensity on the central goal of ensuring access to college for talented students regardless of their financial circumstances. At the same time, we need the peripheral vision to take into account the broader political context, which, if managed strategically, is less threatening to core policy values. With luck, higher education will manage to “stay on the island” of domestic policy making, notwithstanding the popularity of rivals for political attention and funding.

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1 Bush’s budget called for an increase of 11%, to $44.5 billion, for the Department of Education’s budget.

2 Citing Washington Post, 2/26/1985–9/27/2001/ Michigan-American National Election Study 1958-1982. This survey shows that since the early 1970s the number of people who trusted government to do what was right always, most of the time, or some of the time was never more than 48%—a mark it hit in the Reagan years—but throughout the 1990s never exceeded 34%. In surveys following September 11, the percent nearly doubled, to 64%.


4 In March 2001, 29% of those surveyed said that education was one of the two most important issues for government to address. On September 19–20, 2001, that proportion had fallen to 12%, twice that of the next highest domestic concern—family values at 6%.

5 Most of the tax cuts are phased in very slowly—the estate tax repeal, for example, is not fully phased in until 2010; all of the provisions sunset by 2011, and some in 2010, even though it would be an unusual Congress that failed to extend popular tax provisions. Finally, the legislation left out altogether major tax-cut measures—such as the extension of the research and experimentation tax credit—that are virtually certain to be enacted in the near future.

REFERENCES


