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ABSTRACT :
 The federal policy perspective regarding private higher education and the issue of diversity is considered. Among the areas of concern is the tendency to assess the value of a college education in terms of the individual's earning power in the marketplace, rather than in terms of serving individual identity. It is suggested that independent colleges are among the best places to learn our basic moral and educational heritage as a nation. It is further suggested that increased federal regulation threatens the fundamental ideal of self-government in the states and in higher education institutions. One danger is that as state governments attend to higher education and to the public and private sectors, they will also exert too much governmental control. A positive step was taken with the reorientation of the federal role in higher education toward primary reliance upon student aid programs and support for middle income students. It is proposed that the federal legislation should be matched by efforts to expand state programs. Another major policy is the gradual replacement of restricted categorical programs with capitation grants to colleges based on general service standards. Regardless of the type of aid, it is proposed that policy should be: service to students with funding based on enrollment in a free-choice educational marketplace; intervention in the marketplace to prevent unfair competition, program duplication, and coordination to meet program needs; and containment of governmental overkill. (SW)

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POLICY ISSUES, THE FEDERAL GOVERNMENT, AND DIVERSITY

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SECTION III

"Policy Issues, The Federal Government, and Diversity"

by

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Listening to that gracious introduction, I'm somehow reminded of Winston Churchill's comment to Harry Truman about Clement Attlee, which was: "There's a lot less there than meets the eye." To which Truman responded by observing that Attlee seemed "a decent and humble fellow," and Churchill shot back: "That's because he has so much to be humble about."

One of the biggest and most important things I have to be humble about is the opportunity to reflect and represent the enormous diversity of institutions, such as the members of the Independent Colleges and Universities of Florida, at the cross-roads of our national political life -- that weird and wonderful world of the knave as well as the brave which we fondly refer to as "Disneyland on the Potomac."

Finding common threads among such diverse institutions as Flagler College, Jacksonville University, Biscayne College, University of Miami, and Embry-Riddle University is no mean task. And finding commonalities among such diverse leaders

as Bill Proctor, Bob Spiro, John Farrell, Henry King Stanford, and Jack Hunt -- not to mention my good friend George Russell -- is an even meaner task. But recent experience within both ICUF and NAICU suggests that independent higher education gradually is pulling together into one unified voice -- at both the state and federal levels -- and conferences such as this one suggest that our voice is beginning to be heard and listened to by others who are concerned and committed to the welfare of higher education -- public sector leaders, state agency leaders, private citizens who serve as trustees and regents, and (most important) legislators at both the state and federal levels. But more about that a little latter on. My first task is to describe the federal policy perspective, and that requires a bit of recent history.

Washington really has become a strange and almost other-worldly place -- most vividly and accurately portrayed in October of an election year, when every nerve is drawn taut and every bill faces instant success or extinction in the frantic rush to adjournment. And this year, if it hadn't been such a deadly serious business, with so much at stake for higher education, it might almost have been regarded as comical.

By early October, all the speeches and the press releases had been delivered, and the postured presentations to the television cameras, the radio microphones, and the newspaper reporters had evaporated. And we were left with strange, almost eerie scenes, in which the high and the mighty took off their

coats and their television make-up to meet together in conference committees which often ran deep into the night and early morning hours, and left their members looking and acting a lot like college students who has stayed up all night cramming for a final exam or driving themselves to finish a term paper.

Sometimes it is comical, sometimes it is touching, but always it is human. Often times a United States Senator will stumble on a parliamentary point, or forget whether a motion is in order, or even which motion is before the conference committee -- displaying the same human failings as we do in our student governments, our faculty senates, and our boards of trustees meetings.

Sometimes emotions run high, and sometimes you could almost light a match with the sparks of anger and frustration in the air. Yet nearly always, somehow, a compromise is reached, a bargain is struck, and one by one the Senators and Congressmen come around to the end of the table to sign the conference report.

In those critical moments, you might say that they are driven back upon themselves, on their basic intellectual faculties, on their basic moral and educational heritage, and on their fundamental commitment to make the process of representative government work, to make our system succeed where so many others have failed. And you also might point out that they didn't just wake up one morning and decide to honor that heritage -- it had to be learned and understood and accepted

before it could be honored. They had to learn "to show respect for the democratic heritage, by regard for the rights and opinions of others, by maintaining a rational community that encourages self-discipline, and by concern for the dignity of the individual."

That quotation comes not from the Magna Charta, the Declaration of Independence, or the Constitution, but rather from the statement of aims for a Florida independent college, and I suspect none in this audience will be surprised if I suggest that independent colleges -- in Florida and throughout America -- are among the best places to learn our basic moral and educational heritage as a nation -- indeed, to suggest that they are among the principal guardians of that heritage.

But I guess we all know that, or at least have a clear sense of it, or we wouldn't be gathered together to cope and grope with the question of state policies to nourish independent higher education. The problem is to get those who are not here this morning to know what independent colleges are all about, to get them clearly to recognize the enormous contributions which these colleges make to our state and national life, and to get them to help create an environment of public policies which nourishes such colleges.

Part of our job is being done for us by the current generation of college students, who, with the help of their families and the benefits of various federal and state student aid programs, are successfully conspiring to pay the price of enrolling at independent colleges, and doing so in sustaining numbers.

They have to pay a lot more than they would at state institutions, but they apparently believe it's worth a lot more.

They are supported in that belief by a sizable and growing school of educational researchers who identify the search for individual identity, rather than economic survival, as the wave of the future, and whose research data demonstrates everyday more clearly and convincingly that small church-related colleges provide far and away the best places for students to pursue that search for individual identity.

Unfortunately, however, such research findings don't seem to command banner headlines in The Washington Post, or even The Orlando Sentinel. Their interest is dominated instead by such matters as inflation, unemployment, interest rates, taxes, government spending, and the decline of the dollar -- reminding everybody every day that we do indeed live in the age of the economist. This perspective has gotten so far out of control that John Kenneth Galbraith has jokingly suggested that when an American of this generation dies and ascends heaven-ward, St. Peter will quickly brush aside such matters as repentance and good works and absolution, and ask the one really important question, which is: "What did you do for the gross national product?"

Those who are victimized by this gross national perspective tend to assess the value of a college education not in terms of serving individual identity, but rather in terms of its value to raise individual earning power in the economic marketplace.

Completely ignoring the plain fact that today's college graduates must be prepared to adapt themselves to an average of at least three different career avenues during their working lifetimes -- each involving its own specialized knowledge -- these commentators would squeeze the mental and moral life out of the college educational experience, and reduce it all down to the simple cost-benefit issue of whether or not a sociology major can secure redeeming social value in the eyes of the economist by securing employment as a sociologist!

This question is not, of course, irrelevant. Unemployed sociologists have just as much trouble meeting their car payments as unemployed day laborers, and we must be mindful of the imperative to make education relevant to employment opportunities, as Barry College has with its social work program, and the University of Miami in a number of fields. Our problem is to make certain this does not become the only question asked in assessing the value of higher education, and the question of a college's value in sustaining the nation's basic moral and educational heritage remains consistently relevant to the consideration of taxpayer support for higher education. Containing and offsetting the insistent pressures of economic input/output analysis is a continuing battle which must be fought and won over and over again if we are to succeed in building a public policy environment which sustains and nourishes independent colleges and universities.

Another battle which we simply have to win, over and over again, is the fight to stem the tide of overwhelming government

regulation that threatens to engulf all of higher education and destroy its basic freedom and independence from political controls. Hardly a day passes in Washington, D.C., without the issuance of some new federal regulation telling us what we must do and how we must do it if we are to comply with various federal laws and maintain the eligibility of our students and our educational programs to receive federal support. And it's often very hard to fight these unwarranted intrusions of government into our colleges without at the same time giving the appearance of fighting against the proper implementation of federal social legislation.

Here again, it seems to me that we all are suffering from a potentially tragic narrowness of perspective. In our zeal to set everything right, and to pass national legislation reaching into practically every corner of human endeavor, we now have created something like 450 separate federal laws which affect higher education in ways large and small, and legions of federal workers who are hired and fired, paid and promoted, for the express purpose of bring (some would say "whipping") higher educational institutions into line with those 450 different federal laws and the various judicial rulings they have inspired.

But the basic presumption here -- that people can't or won't do what's right unless government forces them to do it -- carries within it potentially tragic consequences for that basic moral and educational heritage I mentioned earlier in these remarks, in the sense that it discourages and undermines our national

heritage of self-discipline, of self-control, of self-regulation. Indeed, it threatens the fundamental ideal of self-government in our states and in our higher educational institutions.

Nobody can visit this state or attend this conference without being impressed with the vitality and the responsiveness of Florida's system of self-governance in higher education. It may take a 60-page handbook to describe all of the existing relationships, and months of familiarization to discover how the system really works. But so what? The papers, and speeches, and discussions at this conference clearly bespeak the emergence of a proven and reliable tradition of self-governance to solve problems in an open and cooperative fashion at the state and community levels.

Yet if the visitor to a Florida higher educational institution -- be it public or independent -- happens to be a compliance officer from USOE, or OCR, or DOL, or IRS, the whole spirit and presumption of the laws that he or she is paid to enforce might well prompt that officer to ignore this clear evidence of healthy and responsive self-governance, and demand a frightening array of corroborating facts and figures, data runs and quadruplicate reports to satisfy the detailed regulations he or she is paid to enforce.

The fundamental and growing problem here is one of simply human trust. Instead of a government "of the people, by the people, and for the people," we increasingly find ourselves beset and beleaguered by a government which seems distant, almost alienated from the people, and relationships between the government and the people which increasingly are characterized by feelings of mistrust,

suspicion, or just plain dread. Historian Richard Hofstadter once remarked that the Founding Fathers had erected "a harmonious system of mutual frustration" for the legislative, executive, and judicial branches of our federal government: Today it might be suggested that the frustration is rampant and the harmony is gone. The predictable result of these feelings is a growing reluctance of citizen taxpayers to accept the government and to support it. Indeed, it could even be suggested that the current evidence of a mounting taxpayers' revolt is nothing more or less than the current expression of a very old and very important American credo -- "No taxation without representation."

The great danger is that, as state governments turn their attention to higher education, and to accommodations between the public and independent sectors within higher education, they will repeat the errors of the federal government and compound rather than relieve the problem of government control. I don't know whether it is still true that there are more employees in the U.S. Department of Agriculture than there are farmers in America, and I don't know the situation here in Florida. But in many states the unelected bureaucracies -- in central higher education administrations, in state educational agencies, in executive department staffs, and even in legislative staffs -- have mushroomed to the point that there seem to be more people regulating than being regulated, and less and less evidence of responsive, representative government actually at work and actually solving problems.

My own view is that, whether or not they intended it, the

leaders of the higher education committees in the Congress have marked out a fairly clear trail to the solution of this fundamental dilemma in the higher education laws enacted in 1972, 1976, and a few weeks ago.

The obvious and most widely-heralded policy theme of these enactments has been the enormous reorientation of the federal role in higher education toward primary reliance upon student aid programs, with Basic Grants growing from a \$60-million program reaching 150,000 students when I was mismanaging it only six years ago to a \$3-billion program reaching 3 million students for the 1979-80 school year. I truly believe that the middle-income student and bill which was enacted in the final hours of the 95th Congress one day will be regarded, in retrospect, as truly "landmark legislation," because it finally established the breadth as well as the depth of student coverage to bring financial accessibility to higher education within the realm of possibility even for those middle-income families who have been most deeply ravaged by inflation and taxes. In that connection, I'm reminded of the New Yorker cartoon showing a six-member family gathered around the kitchen table, listening to the father say: "I've called the family together to announce that, because of inflation, I'm going to have to let two of you go."

But if the dream of financial accessibility for all Americans to all of American higher education, and the realistic economic choice of attending an independent college, is to be realized, the federal legislation must be matched by relentless efforts to expand state programs as you are doing in Florida. And I can only hope

and pray that an accommodation can be reached between the public and independent sectors on the issue of need-based vs. tuition-based student grants before you get too deeply into the next legislative session, lest your effort to build up to a significant level of state student grants be lost in a sea of discussion within the Florida higher education community.

But let's not kid ourselves, and rely either too heavily or too optimistically on state student aid programs, by themselves, really to sustain a continuing balance of enrollments between the public and independent sectors in this or any other state. The truth is that a good deal more will be required to achieve that objective -- and that leads me to mention the second major policy theme of recent Congressional enactments, a theme that is not nearly as well-known or as widely recognized as the student aid theme.

I refer, of course, to the gradual replacement of restricted categorical programs, and all of their nightmarish standards and requirements, with capitation grants to higher educational institutions based on general service standards. The notion of capitation grants for general educational services has been spreading with little notice through a number of federal programs during the last few years, including the allied health professions, law enforcement, and a variety of other occupational education areas. At the same time, several states have adopted programs which make capitation grants available to independent colleges and universities based on the numbers of state residents they enroll in degree credit

courses. Such programs are relatively simple to administer, and they avoid drawing the state into the business of detailed academic program evaluation by relying upon the existing triad of accreditation, state licensing and eligibility to participate in federal student aid programs as the basis for making capitation grants available to independent institutions.

I wouldn't want to insert myself into the work of this conference to the extent of suggesting that the idea of capitation grants is one whose time has come in Florida, but I am somehow reminded of another New Yorker cartoon, this one showing an executive at his desk giving instructions through the intercom: "Miss Woodlow, bring me a coffee, black, no sugar, a poppy-seed roll, and an idea whose time has come!" Generally speaking, I really do think it is wise and proper for states to look beyond the prevailing and conventional wisdom of student aid strategies, and to explore additional mechanisms for stabilizing the financial and enrollment patterns within their higher educational system -- where "the system" is visualized as a common enterprise embracing both public and independent sectors, dedicated fundamentally to serve our basic moral and educational heritage as a nation, and not just annual sets of productivity curves.

Based on the federal perspective and the federal experience, the basic policy themes to be pursued, whether through student aid or capitation grants, or whatever, should be (1) service to students with funding based on the enrollment of students in a relatively free-choice educational marketplace, (2) judicious intervention in

the marketplace to prevent unfair competition, and duplication of programs, and to assure coordinated responses to new and emerging program needs, and (3) above all, simple, responsive, and representative mechanisms to contain the tendency toward governmental overkill. I'm reminded of what used to be called the "KISS test" of government programs -- namely, "Keep It Simple, Stupid!" But in addressing this distinguished group of Florida educational leaders, let me revise that and beseech you to "Keep It Simple, Sir!"

Thank you for the opportunity to share these thoughts with you.

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