

Research & Occasional Paper Series: CSHE.14.05

CSHE | Center for Studies in Higher Education

UNIVERSITY OF CALIFORNIA, BERKELEY

<http://cshe.berkeley.edu/>

THE CARNEGIE COMMISSION AND COUNCIL ON HIGHER EDUCATION: A RETROSPECTIVE*

November 2005

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ABSTRACT

It has been nearly forty years since Clark Kerr was asked to create and lead the Carnegie Commission on Higher Education under the auspices of the Carnegie Corporation. The Commission was to be a national effort, unprecedented both in scope and in the freedom of its director, Kerr, to guide its research and productivity. Carnegie President Alan Pifer promised substantial funding for five years or more. Working with Pifer, and with Alden Dunham, David Robinson, and others, Kerr initiated a great array of studies and provide recommendations on the most vital issues facing American higher education in the latter part of the twentieth century. This essay reviews the origins of the Commission, its successor organization, the Carnegie Council, and the influence of a number of major reports. The essay also notes the need to revisit the work of the commission and council as a source of ideas relevant today, and suggests that there is a need for a greater national approach to supporting US higher education.

Reporter: "Dr. Kerr, I realize it's a little premature for you to announce any plans, but I would like to ask if you have any idea what you might like to do. Would you like to head another university?"

Kerr: "Well, I really have to think about that. I've had a number of opportunities over these years; I'm not without opportunities at the moment. And I am going to want to give consideration to them. I don't expect to be unemployed very long.

—1967 Press Conference Following the UC Board of Regents' Decision to Fire Clark Kerr as its President

It is one of the more famous chapters in the history of American higher education. In late 1966, Ronald Reagan won the governorship of California, beating a self-proclaimed

* A shorter version of this article was recently published in *Change Magazine* as part of a special issue that reflects on the history and goals of the Carnegie Foundation for the Advancement of Teaching.

“pragmatic liberal” and critical supporter of California’s pioneering public higher education system. Reagan’s campaign focused much of its rhetorical energy on the need to “clean up the mess at Berkeley.” And when he was elected governor, one of his very first actions was to successfully pressure the University of California Board of Regents to end Clark Kerr’s tenure as the university’s president.

After nearly nine years of leading the UC system in an era of rapid enrollment and program expansion, including his significant hand in guiding the state’s famed Master Plan for Higher Education and the opening of three new campuses, Kerr stood as one of the truly great stars of American higher education. He had proved an extremely adept leader of the nation’s largest public research universities—and more. Kerr was a significant thinker on the role of universities and colleges in a modern world. His Godkin Lectures on what he termed the “multiversity,” delivered in 1963, were a *tour de force*, an acute observation on the condition, strengths, and weaknesses of America’s burgeoning universities.

By 1967, however, he also was the subject of vitriolic attacks by both the left and the right—from the left for being a part of the military-industrial complex, and from the right for being an appeaser of radical protesters and communist sympathizers.

Despite pressure from a significant contingent of regents that Kerr resign—both to appease the new governor and, for some regents, to settle old scores with Kerr—he refused. On January 20, 1967, the board voted fourteen to eight to end Kerr’s presidency, essentially ending his thirty-eight-year affiliation with the university—starting as an economics graduate student focused on the field of labor relations, then as a faculty member, then as chancellor at Berkeley (1952-1958), and finally as the university president (1958-1967). Kerr retained a faculty position at Berkeley, but that seemed a small source of comfort.

In a press conference only hours after the regents’ vote, Kerr was gracious but also pointed. “I do not believe in the principle that because there is a new governor there needs to be a new president of the university,” he stated. Later he famously quipped, “I leave the university as I entered it, fired with enthusiasm.”

Kerr had not given much thought to his fate after the regents’ vote. But others had. The evening of his dismissal as president, Kerr received a number of phone calls offering condolences and encouragement. One was from Nathan Pusey, the president at Harvard. Wallace Sterling at Stanford and Courtney Smith at Swarthmore also called. Each offered an academic position of some sort at their respective institutions. But the most important call came from Alan Pifer, the president of the Carnegie Corporation and the Carnegie Foundation for the Advancement of Teaching (CFAT).

Twelve years earlier, Pifer’s predecessor, John W. Gardner, worked with then University of California president Robert Gordon Sproul and Berkeley chancellor Kerr to establish at Berkeley a research center on higher education using Carnegie Corporation funds. Gardner followed this initiative with grants to a number of other major universities to establish centers. Their charge: to generate analysis on the organization and potential reforms of America’s rapidly expanding and increasingly complex higher education systems, which most states were reorganizing as they planned for large-scale enrollment increases.

With the help of the Carnegie Corporation, a wave of research on state systems of higher education began. It fed into the increasing interest of state and federal lawmakers and government officials in organizing, coordinating, and promoting access to postsecondary education.

Establishing the Commission

Upon Kerr's firing, Pifer offered the idea of promoting research and reflection on higher education and its role in society. He asked Kerr to help establish and direct what became the Carnegie Commission on Higher Education.

Pifer became president of the Carnegie Corporation and the CFTA in 1965, after serving as the Corporation's vice president; he succeeded John W. Gardner, who became President Johnson's head of Health, Education, and Welfare. Pifer and Gardner, and the board of the Corporation, had considered closing down the CFTA. In Pifer's view, it had not done much since the early 1950s. The opportunity for Kerr to lead an expansive study of higher education proved a critical moment that justified the CFTA's continuation. The commission and then the council became the sole activities of the CFTA between 1967 and 1979.

The Commission was to be a national effort, unprecedented both in scope and in the freedom of its director (Kerr) to guide its research and productivity. Pifer promised substantial funding for five years or more—there would be no need to find other sources of support. And Kerr could direct the effort from Berkeley, establish an office near the campus, hire staff, and draw scholars and practitioners into the commission's fold. Pifer would serve as the chairman of the Commission.

To shape their agenda, Kerr worked with Pifer, and with Alden Dunham and David Robinson, both at the Carnegie Corporation. They planned to investigate and provide recommendations on the most vital issues facing American higher education in the latter part of the twentieth century. In doing so, the Commission would not speak *for* the higher education community, "but rather *about* higher education and its needs and contributions."

Flavoring the world-view of Kerr, Pifer, and their colleagues was the belief that mass higher education *and* building on America's vast public and private mix of colleges and universities were vital to the nation's social and economic future. They also maintained that an increased federal role was essential and perhaps inevitable in supporting the nation's higher education venture.

An Ambitious Research Agenda

Kerr and his compatriots set out a research agenda that eventually encompassed six general policy areas—although the work of the commission (1967 to 1973) and its successor, the Carnegie Council on Higher Education (1973-1979), was so broad and prodigious that its research often went beyond these themes.

The six target policy areas included:

- Social justice;
- Provision of high skills and new knowledge;
- Effectiveness, quality, and integrity of academic programs;
- Adequacy of governance;
- Human and financial resources available to higher education;
- Purposes and performance of higher education institutions.

Ultimately, the commission and the council produced thirty-seven policy reports and 137 sponsored research and technical reports. The first two sponsored studies were brilliant: Howard R. Bowen's *The Finance of Higher Education* and William G. Bowen's *The Economics of Major Private Universities*, both published in 1968. The authors, both major figures in American higher education, shared a surname but were not related.

Howard Bowen, an economist, made a famous observation in his study: In the search for quality and excellence, colleges and universities will spend every dollar they get. Their appetite is, therefore, inexhaustible. And Earl Cheit authored a study that pointed to the precarious fiscal position of many colleges and universities, stating that American higher education were entering a "new depression," characterized by sustained decreases in revenue.

The first commission reports offering formal recommendations included *Quality and Equality: New Levels of Federal Responsibility for Higher Education*, published in 1968 and revised and expanded in 1970; and *A Chance to Learn: An Action Agenda for Equal Opportunity in Higher Education*. Most major reports were not published until 1970, almost three years after the establishment of the commission, reflecting the deliberate process and careful research devoted to each study.

The flurry of reports that came out in the very early 1970s reflected Kerr's and the commission's goal of informing and influencing the reauthorization of the Higher Education Act, which was eventually passed in 1972.

Allen Pifer initially offered the commission a five- to six-year lifespan, which turned into seven. At the end of that period, much had changed. The enthusiasm for national approaches to national problems of the Great Society had vanished; federal funding for education had dissipated; and enrollment projections indicated a long-term flattening of demand for higher education.

Kerr desired to maintain the momentum of the commission but in a new form—as the Carnegie Council on Policy Studies in Higher Education, largely in the business of sponsoring studies on the "steady state" of American higher education and following up on many of the key reports of the commission. The council took form in 1973 and lasted until 1979 when Kerr decided that he would "retire," after concluding with a final report, *Three Thousand Futures: The Next Twenty Years for Higher Education*, published in 1980.

Pifer also retired around then as head of the Carnegie Corporation and head of CFAT. Ernest Boyer then became head of CFAT (although not of head of the Corporation,

which made an organizational change to more clearly separate the two entities). In turn, Boyer choose not to continue the Council and to seek his own mark on education.

Assessing Influence

The field of higher education has changed substantially since the initial efforts of Kerr's commission (and later council), reflected in the growth in institutional research and middle management, and the proliferation of scholarly and practitioner-based journals. Yet many of the reports and studies of that era remain salient. And since then, there has been no similar concerted effort. The sheer volume of the commission's and council's sponsored studies and published material, and their quality, is astonishing.

What was the influence of this substantial effort?

In a number of instances, the influence of the commission and council, and the bevy of affiliated scholars, was substantial; in other areas, it is hard to locate any direct policy outcomes. Yet the existence and breadth of the work by Kerr and his many colleagues, while not always generating changes in policy and practice, produced other beneficial effects.

For example, the commission and council created a wealth of detailed and adventuresome thinking on the operation, funding, and role of America's universities and colleges. That investment generated an accumulation of knowledge that arguably furthered the way we think about higher education in the United States.

Second, and related to the first point, the breadth of the work of the commission and the council helped to build a higher education community interested in self-reflection and discourse. Only a few major scholarly journals existed prior to the work of the commission, including *The Journal of Higher Education*, established in 1930. By the 1970s, however, new organizations and publications had emerged. The American Association for Higher Education was established in 1969 and soon introduced *Change Magazine*. The Association for the Study of Higher Education began in 1976 and subsequently published *The Review of Higher Education*.

Third, the work supported by the Carnegie Corporation helped to further the interests and career paths of a new generation of higher education leaders and practitioners.

And fourth, the work of the commission and the council offers contemporary policymakers and observers of American higher education a benchmark on the progress and problems we face today, providing an invaluable resource. A more thorough chronicling of the work of the commission and council might better inform us of what is politically possible in our own times.

What follows is a brief discussion that reflects each of these points, with an emphasis on a set of specific reports that had a substantial impact or, for a variety of reasons, had little or no impact.

One critical factor in the productivity of the commission and the council was their financial independence. In total, the Carnegie Corporation provided approximately \$1.8 million for the commission—a particularly large sum in that era. The Ford Foundation

and the Commonwealth Fund also provided support for a number of major projects in the area of education for health-related professions, and the American Council on Education cooperated in a collection of surveys intended to gauge institutional changes.

A second critical factor spurring the commission's and the council's productivity was the inclusion of academic leaders and scholars who had the opportunity, indeed the mandate, to think outside the box. Kerr welcomed old and new friends to the nineteen-member commission, including then-current and former university and college presidents Nathan M. Pusey (Harvard), Eric Ashby (Cambridge University), William Friday (North Carolina), Katherine McBride (Bryn Mawr), David Henry (University of Illinois), and Theodore M. Hesburgh (Notre Dame), as well as academics like Carl Kaysen (Institute for Advanced Studies, Princeton) and David Riesman (Harvard).

With his colleagues' advice and support, Kerr had the unique opportunity to select a great variety of research projects and sponsored studies by scholars, with no need to generate additional funding or to seek the approval of either lawmakers, government bureaucrats, or higher education lobbying groups.

Among the Successes

At the end of the first incarnation of the Carnegie-funded effort, and after twenty-one special reports and eighty sponsored studies published in a series by first McGraw-Hill and then Jossey-Bass, Kerr and his colleagues faced criticism, a natural outcome of such an expansive effort to evaluate and reshape American higher education. Kerr and the various incarnations of his board were not timid, and they took risks in a world of shrinking higher education resources and, arguably, a hardening within the academy against new experiments and notions of reform.

Yet many within the higher education community understood the great value and unsurpassed breadth of the effort, even if they disagreed with many of the commission's recommendations. The view remained relatively balanced because, as Harold Enarson wrote in the *Journal of Higher Education* in 1973, in all the Carnegie reports and studies, "the Commission is pragmatic to the core. Start with the system, the changing needs of our time, the visible problems that plague us, and then propose steps and solutions at the edge of the possible."

One of the first major issues confronted and influenced by the commission was the future of federal financial aid, specifically the growing desire by colleges and universities, public and private, to gain direct institutional funding. The pattern initiated under the GI Bill had been to enable students to make their own choices by giving them direct federal grants and loans.

The flow of federal funds to states and institutions for higher education grew steadily in the eight years after Sputnik—funds to support scholarships, basic research, and for a period, to support capital construction. However, how those funds were dispersed created disgruntlement: Certain states and institutions, usually the privates and elite public institutions, gained the most resources from federal coffers. Some lawmakers in Washington wanted to allocate a portion of, or all, federal research and financial aid funds on a proportional basis to states, or directly to institutions based on their enrollment size or other similar calculations.

In its first report, the Carnegie Commission focused on the issue of “Quality and Equality,” arguing fervently against this block funding and maintaining that federal financial aid programs needed to remain focused largely on grants and loans given directly to needy individuals. One of the “most urgent national priorities,” argued Kerr and his compatriots, “is the removal of financial barriers for youth who enroll in our diverse colleges and universities, whether in academic or occupational programs.”

Moving toward block funding, Kerr argued, would pit states and institutions against each other, making federal funding of financial aid an overtly political process steeped in special-interest advocacy. Funding students, and not institutions, avoided or mitigated this possibility, while empowering students to choose what institution best met their perceived needs. The program outlined by the commission in reports in 1967 and 1968 eventually led to the Basic Educational Opportunity Grant (BEOG) and the State Student Incentive Grants (SSIG), which later became Pell Grants and Perkins Loans.

What clearly was not welcomed by Kerr and the commission, however, was the initiation of a gradual shift from grants to loans by the Nixon administration in the early 1970s.

A second influential commission project was the development of a method to classify America’s vast network of colleges and universities, what became the Carnegie Classification of Institutions. Until the work of the Commission, most efforts at categorizing colleges and universities simply noted their status as a public or private institution, the degree offered (two-year, four-year, master’s, etc.), and whether they were accredited.

To help with the collection of data on enrollments, budgets, and degrees, in 1968 the federal government established the Higher Education General Information Survey (HEGIS, which became IPEDS). But lumping together a broad range of institutions hindered analysis. Creating a more nuanced classification framework was an important step for more fully understanding the world of American higher education.

After years of study and debate, the Carnegie Classification was unveiled in a 1973 publication and continues to influence the way we view American higher education. A total of six categories and a number of subcategories—creating nineteen categories in all—divided up the nation’s colleges and universities, largely based on their production of various degrees.

Again, the Commission faced formidable opposition. Many institutions resisted being categorized, particularly those with ambitions to expand their degree programs or which feared such classification might restrict their state and federal funding.

Nearly four decades later, the Carnegie Classification (much like the Carnegie Unit) remains a valuable yet often-criticized tool. A recent critique called it “a great leap forward in describing the diversity of higher education in the United States,” while observing that its “wide acceptance may be its greatest liability, as its present uses have far exceeded its original purpose.” As some feared, it grew from a way to describe American higher education into a decided influence on how states approached the governance and financial support of public institutions.

In an age increasingly fascinated with rankings of any type, the public appears to view it as a hierarchical prestige and quality scheme. And it has influenced institutional

behavior. In his recent volume on the history of American higher education, John Thelin notes that the classification “set off a competitive rush by institutions to meet the operational criteria” to move up the scale.

For this and other reasons, the Carnegie Foundation for the Advancement of Teaching, which inherited responsibility for the updating of the classification, is now substantially revising the categories and methodology.

A third area of the commission and the council’s direct influence on policy focused on improving the curriculum and degree production in professional fields, especially those related to health. Margaret S. Gordon provided much of the work that led the commission to recommend, in *Higher Education and the Nation’s Health* (1970), an active federal role in expanding the capacity of medical schools, providing grants to residents and interns, and supporting community-based health programs organized by universities. The report influenced the subsequent passage of the Health Manpower Act of 1971, intended to support a 50% increase in medical school students.

A fourth impact relates to a series of commission reports on funding and organization of higher education. The commission’s 1971 report *The Open Door Colleges* focused on the need for expanded federal, state, and local support of community colleges, curricular improvements, governance, and standards for faculty. Many states subsequently gave greater attention to the pivotal role of these local colleges. *The Capitol and the Campus* (1971) and *The Campus and the City* (1972) influenced state planning and efforts to reorganize the governance of local community college districts.

Recommendations Whose Time Has Yet to Come?

The commission argued for expanding postsecondary opportunities for America’s youth and for adult learners and maintained that creating a more robust financial aid system and, in the process, encouraging public and private institutions to think broadly about admissions policies, was the policy route to get there.

While proposing that the federal government should concentrate most of its financial aid funding to individual students in the form of grants, the commission also advocated supplementary federal “matching grants” to institutions, in order to “encourage commitment” of funds from private, state, and local government sources. If a student with a federal educational opportunity grant went to a particular institution, the scheme would provide the institution an additional “10 percent” of the total sum of the grant to use at its discretion for needy students.

This proposal was one of many put forth by the commission to leverage resources for needy students and to expand access. But few proposals found sufficient support in Washington to blossom into specific policies. For example, the commission proposed the establishment of a National Student Loan Bank.

The 1970 supplementary report to *Quality and Equality* proposed a federally chartered, nonprofit private corporation, financed by the sale of government-guaranteed securities, to essentially replace the indirect loan system in which private banks acted as the intermediary—in the process skimming off profits while the federal government assumed all the risks of potential defaults. Savings under the direct loan program would allow for

expanding eligibility for such loans and would establish more lenient repayment schedules.

Strong opposition to this idea flared from private financial institutions and the proposal went nowhere for twenty-two years. A 1979 report by the Carnegie Council, *Next Steps for the 1980s in Student Financial Aid*, again suggested a nonprofit direct-loan agency, proposing to “[r]eplace the existing inadequate, costly, and inequitable loan programs by a National Student Bank,” and to avoid “tuition tax credits, which are regressive and self-defeating.”

Finally, ten years later, the Bush and then the Clinton administrations established a “direct loan” program on an experimental basis—essentially to rebut arguments by banks and supporters on Capitol Hill that a government scheme could not possibly be as efficient as the private sector.

Some fifteen years later, powerful political opposition has kept the program to about one-fourth of all federally subsidized loans, even as evidence has mounted that a comprehensive move to direct loans could save billions of dollars that could be reinvested in financial aid programs. Using OMB numbers, a recent study by Student Loan Watch calculates that government-guaranteed loans cost taxpayers twelve cents for every dollar spent, while direct loans cost less than one cent for every federal dollar.

Yet the battle over direct loans continues, with hearings in Washington last April and May regarding the merits of direct lending.

Curriculum reform was a second major recommendation of the commission, fostered by the realization that while America hosted a great array of academically strong institutions, it also included a vast network of relatively weak colleges and universities. And with the rapid expansion in enrollments over more than two decades after World War II, student-to-faculty ratios had climbed—particularly within the large public universities—and disparities had grown in the resources available for academic programs, particularly between the sciences and the humanities.

The commission faced the problem of how to inspire and invigorate the undergraduate experience. Money was one answer. With the hope of a growing although tempered federal role, one of the commission’s first recommendations in the arena of curriculum reform was a National Foundation for the Development of Higher Education, to fund institutional programs that established “new directions in curricula” while strengthening “essential areas that have fallen behind or never been adequately developed.”

Again, federal coffers would feed the initiative. An annual federal allocation of \$200 million could help improve undergraduate education, support university and college outreach efforts to improve the curriculum of local schools, help fund regional arts centers operated by consortia of postsecondary institutions, investigate the “effective use of modern technology” for teaching (video and cable TV broadcasts, and limited forms of computer-based instruction in the era before the PC), and promote new curricular programs that integrated service learning.

Influenced by the idea of an agency devoted to curricular and program innovation, the 1972 reauthorization of the federal Higher Education Act did establish the Fund for Postsecondary Education (FIPSE). But unlike the commission’s idea of a National

Foundation, it became a unit of the US Office of Education, and while useful it remains a relatively small granting agency.

Another area of potential curricular reform related to new technologies, with broad pronouncements that echo contemporary predictions regarding the transformative influence of ICT. The 1972 report authored by Eric Ashby and Ralph Besse, *The Fourth Revolution: Instructional Technology in Higher Education*, stated that universities and colleges “now face the first great technological revolution in five centuries in the potential impact of the new electronics.” The report estimated that by the year 2000, perhaps 10 to 20% of instruction “may be carried on through informational technology.” But they doubted a paradigm shift was imminent. The change would come slowly, “costing more money” and “adding to rather than replacing older approaches.”

Other recommendations followed the 1968 proposal for the National Foundation for the Development of Higher Education. In the 1970 report *Less Time, More Options*, the commission advocated a three-year bachelor’s degree and a Ph.D. program shortened by a year or two, depending on the field. Similarly, the commission’s recommendations for educating health professionals proposed shortening the program and residency period. And the 1972 report *The More Effective Use of Resources* claimed that colleges and universities should “greatly reduce” the number of degrees offered, maintaining that their proliferation eroded the coherency of undergraduate education, a negative aspect of the multiversity.

The commission argued that all of these changes could be justified on pedagogical grounds, but perhaps most importantly, that they represented, along with year-round operation at some institutions, the most effective way to increase efficiencies.

The national foundation was never established. Degree time was never shortened, and indeed has lengthened considerably in graduate education. In many science disciplines, education and training suitable for the job market now extends into postgraduate studies.

Another important series of recommendations by the commission and the council related to the operational cost of higher education, in particular at public institutions. Reducing the operating costs of colleges and universities was important in large part because the ability and interest of federal and state governments in subsidizing higher education was predicted to wane. The “Golden Age” of government funding for the rapid enrollment increases of the late 1950s and most of the 1960s was evidently giving way to shrinking resources and projections of declining enrollment. “Higher education is facing a serious financial crisis,” stated a 1972 commission report. Costs were rising and per-student income was declining.

The 1973 report *Higher Education: Who Pays? Who Benefits? Who Should Pay?* argued that not only was the era of high levels of state subsidization for higher education coming to an end, but also, more generally, the traditional model of no, or extremely low, tuition was perhaps unfair. The commission recommended that while fees for the first two years at community colleges should be extremely low or non-existent, at four-year public institutions they should be increased.

At the time, undergraduate students and their families paid for approximately 24% or less of the student’s education—on average—in the public sector; in the private sector, they paid approximately 62% of the costs. The commission argued that within public

institutions the student and family contribution should increase to 33%, state governments should subsidize another 33%, and the federal government should fund the remaining third.

Two reasons for burdening students and their families with the additional costs were the apparent need to replace a projected decline in state government investment, and the prospect of limited additional federal subsidies (although the commission and council consistently argued for a larger federal role). Another reason to ask more from students and their families concerned financial aid; as the report argued, “A low tuition policy by itself tends to channel more subsidies to higher-income groups.” The key was to target student aid policy toward low-income and, to a lesser degree, middle-income families.

The commission proposed that a modest tuition and high financial aid model was essential for the long-term health of higher education’s public sector, which already enrolled more than seven of every ten students. The higher personal cost of attending a public college or university would not only help defray the operational costs of an institution, but would help fund a more robust financial aid program. Increasing tuition would thus rebalance who paid, help maintain quality and institutional capacity, and theoretically help expand access to needy groups. The commission recommended a “modest and gradual” increase in tuition in public institutions. It also proposed that states and the federal government provide greater subsidies to private institutions to help slow and possibly contain fee increases.

The commission used the language of economists—public and private benefits, the correlation of price and access, the market for students—to study and propose a possible future that would balance revenue needs with ensuring access.

In an age dominated by projections of enrollment declines and a devotion to the long-honored concept that lower tuition rates translated into improved access for disadvantaged groups, the Carnegie model had little political traction. Public colleges and universities generally saw it as an excuse for state governments to reduce their subsidization of higher education in favor of increasing tuition.

Yet public institutions have increasingly had to deal with declining public investment—in real dollars, on a per-student basis—as predicted by Kerr and his colleagues. Private institutions generally raised their tuition rates substantially, over-pricing their product, funneling the largess into financial aid, but mostly into improving or maintaining their undergraduate programs. It worked. Public institutions, however, essentially lost income relative to costs. Forced to maintain or marginally increase fee levels, undergraduate programs arguably suffered the most, especially as meantime many public universities had to grow in enrollment.

The publics essentially backed into a rising fee structure within the context of long-term erosion in state support and an inadequate financial aid commitment by both federal and state governments. It was a delayed reaction. The jump in public fees did not happen in earnest until the 1990s. In public institutions, students and families now pay, on average, approximately 29% of the cost of their education.

Incrementalism is a natural policy process, the result of lawmakers and higher education leaders focusing on the crisis of the moment. The Carnegie Commission and later the Carnegie Council reports argued for a structured approach—greater efficiencies,

increased fees, and a significantly more robust student aid program. “All of the specific recommendations of the Carnegie Commission may not be practical in the current environment,” notes a recent study by Jane Wellman on higher education tuition and finance. Yet the reasoned approach offers a “guide” in the quest to create rational policies for preserving or enhancing institutional quality and access.

To implement all of its proposals, the Carnegie Commission estimated that the federal government would need to invest an additional \$12.6 billion over an eight-year period—above its existing commitments for financial aid and other programs. And because “higher education is today a basic national resource,” the Commission argued that the federal government needed to establish or designate a “cabinet level officer” responsible for higher education. A 1977 Carnegie Council report entitled *Federal Reorganization* proposed an “undersecretary or secretary of Education, Research and Advanced Studies” within what was then the Department of Health, Education, and Welfare (HEW).

Beginning in the 1930s, the Carnegie Foundation for the Advancement of Teaching had argued for a cabinet-level position devoted to education. In 1979, the Carter administration reorganized HEW and elevated the commissioner of education to a cabinet post. Yet arguably this move had a limited subsequent influence on presidential interest in K-12 education (the *Nation at Risk* report and the recent “No Child Left Behind” act being the important exceptions), and exerted very minor influence on federal policy related to higher education.

A Conceptual Plea: Higher Education as a National Resource

The work of Kerr and his many colleagues both indicated and led a new wave of analysis and reflection on the growing role of higher education in society. Among the chief problems facing colleges and universities—private and public, most of which were now part of larger multi-campus systems—was finances. The suggested remedy was salient then, but perhaps even more relevant today: Institutions needed to promote “better use of resources on the one hand and augmentation of resources on the other.” Greater efficiency, curricular reform, expanding access to disadvantaged groups, and incorporation of tuition levels and financial aid to make higher education affordable to lower and middle class students—all are issues that remain on the front burner.

Colleges and universities, as well as state governments, needed to work together to improve and continue America’s great adventure in creating the world’s first mass higher education system. But it was clearly the federal government for which Kerr and his colleagues saw a special and really new role.

In the final 1979 report *Three Thousand Futures*, the Carnegie Council noted that some of its predictions—and those of other observers—had not come to pass. Total enrollment between 1970 and 1979 had increased 24.3%. Meanwhile, state governments had actually increased their share of institutional expenditures for public colleges and universities from 36.6% to 41.6%. And tuition levels had not increased but had declined as a percentage of personal income, from 10.5% to 9.6% for those attending public institutions, and from 50.3% to 44.5% at privates. American higher education, the report noted, was “generally in good shape.”

Earl Cheit's "new depression" had not arrived. Worries about "over educated" Americans with a surfeit of unneeded undergraduate and graduate degrees also dissipated. Surveys sponsored by the council indicated that confidence in higher education had grown.

Kerr was the primary author of the final report and he projected a generally optimistic outlook. However, a number of worries remained. The federal contribution for educational expenditures (not including research) had not grown as urged by the commission and council; instead it had dropped 23%. Rising operational costs of higher education, a weakening economy, inflation sparked by the OPEC oil crisis, the specter of declining state investment in higher education, and the political problems of increasing tuition fees in public institutions all seemed to indicate that the financial models offered by the Carnegie Commission and Council, including a moderate fee and high financial aid structure, were still relevant.

The general lack of curricular innovation and the corresponding rigidity of colleges and universities also was an obvious worry for Kerr. Government mandates and controls, along with "aging faculties, the emergence of veto groups, and the spread of collective bargaining" also appeared as significant future barriers to innovation.

Perhaps most importantly, *Three Thousand Futures* essentially argued that America's vast and highly differentiated network of public and private institutions (the 3,125 institutions in existence by 1979) was one of America's greatest strengths. The nation needed to preserve that diversity and avoid convergence.

At that time, higher education participation rates and affordability, degree attainment, and the vast size and quality of the research enterprise of America's universities were the envy of the world. Europe and many other countries looked to the United States for higher education models to adopt on their own cultural and political terms; not since the late 1800s had the US looked to the outside world for ideas or worried about the competition from abroad. Kerr invited and supported a number of studies with an international perspective, but they were relatively minor contributions to the effort.

Things have changed. America is still generally unconcerned about the competition in what is now a global economy. And its world-class research infrastructure and productivity remain vibrant. By some important measures, however, the United States may be on the verge of falling behind. Among younger students, many EU countries have approached, and in a few cases exceeded, the participation rates found in the United States. US rates have leveled off and show indications of declining. Among OECD members, America now ranks only 13th in the percent of the population that enters postsecondary education and then completes a bachelor's degree or enters a postgraduate program.

One reason, among many, for this decline is that the US is the only OECD country with a significant drop in secondary graduation rates. The bachelor's degree attainment rate in the US is also falling slightly. It is not so much that America's higher education system is not relatively vibrant, but that the trajectory relative to other countries is flat.

Most pundits agree that there are significant problems with access and financing (particularly in the publics, which enroll and will continue to enroll the vast majority of students). In the US, these issues are second- or third-tier national policy issues. In the

EU, they are first-tier issues, with concerted efforts to, in the words of the Bologna Agreement, “increase international competitiveness of a European system of higher education.”

In its early stages, the Carnegie Commission made dire predictions, many of which were keen observations that better predicted the modern age than they did the situation of the 1980s. Kerr and many of his colleagues urged institutional change and innovation from within the academy, and additional investment from state governments. But they also recognized the disparate nature of American higher education and sought a national assessment of the condition and future of the enterprise, *and* an increased federal role.

Arguably, the federal government has a greater historical and contemporary role in supporting higher education than in supporting K-12. Although such a suggestion cuts against the current political ethos of free markets and less government, and raises the danger of another stifling round of accountability bureaucracy, we might re-consider how a national strategy could strengthen American higher education.

The Carnegie Commission and then Council imagined ways in which federal support and priorities might enhance access and quality, while also attempting to empower students and institutions. Here lies a formula well worth revisiting. Could it be that the US will again look to Europe for models? These are contrarian thoughts whose time may yet come.