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California Univ., Berkeley. Center for Research and Development in Higher Education.; Western Interstate
Pub Date Nov 66
Note-30p.; Paper presented at 8th Annual College Self-Study Institute, University of California, Berkeley,
July 11-14, 1966, "Campus and Capitol."
EDRS Price MF-$0.25 HC-$1.60
Objectives

Four basic propositions lead to significant questions concerning government-university relations: (1) The nation needs an increasing supply of college graduates in all fields. So far, the financial implications of such a commitment have not been grasped. (2) Although the existing structure of higher education represents a sizeable investment, parts of the system are under severe financial strain. (3) Recent Congresses and Administrations have indicated that the federal government has a major role to play in financing higher education. (4) In spite or because of this infusion of federal funds, many institutions have a more precarious fiscal situation now than a decade ago. This is partly because demands have outstripped available resources and partly because federal support has been almost entirely categorical and requires the commitment of additional institutional funds. Ways must be found to provide general institutional support as a supplement to categorical aid. Major adjustments in funding formulas and in concepts of the responsibility of higher education must be made. Many areas should be explored--academic and housing facilities, graduate education, research, student aid, development of major university centers, undergraduate institutions, institutional cooperation, division of labor, revision of tax laws. It seems inevitable that the nations must consider federal support for higher education AS A SYSTEM. Possible approaches to achieving this are suggested. An annotated bibliography is included. (JS)
The Federal Government and Higher Education: Old Answers Breed New Questions

by

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If I may, this morning I should like to share with you a series of propositions and questions that increasingly preoccupy me as I sit at the hinge-point of the government-university world. Most of the things I want to talk about are, I think, your direct concerns. The answers we as a nation eventually come up with—or our failure to come up with answers (and this seems to me inconceivable)—will profoundly affect your work. Let me start with four basic propositions.

Basic Propositions Leading to Questions

1. The nation needs an increasing supply of college graduates in all fields. We can afford no loss of potential talent. Such statements may seem to point the obvious, but as a nation we have not truly come to grips with the financial implications a commitment to their fulfillment will entail. We are, perhaps, facing the need less realistically than our forebears a century ago faced up to the need for universal elementary and secondary education.

2. Our existing structure of higher education represents a sizeable investment and a major national resource. Much has been written of the strength of our diversified system. Yet parts of that system are under severe financial strain.
3. The last five congresses and the last three national administra-
tions have demonstrated a conviction that the federal govern-
ment has a major role to play in financing higher education.
Through the programs of executive departments and agencies
and a series of legislative enactments, important support has
been provided for many of the functions of higher education
in its triple role of research, teaching, and public service.

4. In spite of, or perhaps because of, this infusion of federal funds,
the fiscal situation of many of our institutions is more precarious
than it was a decade ago. This is so, in part, because the de-
mands on our institutions are increasing more rapidly than are
available resources. It is also true because federal support has
been almost entirely categorical, and because almost every
federal program requires the commitment of additional insti-
tutional funds.

The American Council on Education has consistently supported
the concept of categorical aid to higher education. It continues to
do so. We have stated a series of priorities and at the top of the
list has been, and continues to be, the provision of facilities—
housing and academic—to meet the inevitable increase in enroll-
ments. Second only to the need for facilities has been the need
for adequate student aid programs to bring higher education within
the reach of qualified but needy students. An encouraging but in-
adequate start has been made toward meeting both these needs.

It is clear, however, that if higher education is to meet its own
commitments and commitments being made in its name by the
federal government, something beyond categorical aid will be re-
quired. Ways must be found to provide general institutional sup-
port, not as a substitute for but as a supplement to categorical
support. It is essential that organized education as an entity and,
equally important, the federal government as an entity review
existing programs and develop a rationale for the host of relation-
ships that characterize the government-university partnership.
Higher education can perhaps live indefinitely with, and adjust
to, the requirements of an individual government program or
of a whole executive department, even if those requirements tend
to warp institutional purpose or constitute a drain on institutional
resources. But as federal programs proliferate in number and grow
The Use of Institutional Funds for Federal Projects

We have noted above that one characteristic of most existing federal programs is that they require the commitment of additional institutional funds. A few examples will serve to bring home the point.

1. Because of congressional insistence on institutional cost-sharing, government-supported university-based research will require this year the commitment of approximately $60 million in institutional funds.

2. By the end of this year over $100 million of institutional funds will be invested in the National Defense Student Loan Program. Institutions will also be absorbing approximately $6 million annually in administrative and collection costs.

3. The level of construction anticipated this year in the Academic Facilities Program will require the commitment of at least $1 \tfrac{1}{4} billion in non-federal funds.

There is a certain logic in all of this. It can be argued that the federal government is merely providing assistance for the universities to do what they would in any case be bound to do. A further argument is that matching requirements tend to stimulate the flow of non-federal dollars. But there are fallacies in the argument as well.

1. Institutions would not, because they could not, undertake, on their own, programs of the size and scope now being supported with federal funds.

2. Ability to provide matching funds or to share costs varies greatly. The more impoverished institutions are therefore increasingly less able to participate.

3. Most federal programs engender a need for continued and increased investment of institutional funds.

A single program, small in scope, may illustrate all of these points. A program entitled *Upward Bound* is being supported by the Office of Economic Opportunity. Its purpose is to identify
promising students at the tenth and eleventh grade in high school who, because of long years of deprivation, will be clearly unable to qualify for higher education. Through intensive summer remedial programs and week-end instruction during the academic year, institutions hope to be able to bring these students to their potential grade levels and prepare them for higher education. The legislation governing this program requires that institutions contribute out of their own funds 10 percent of the cost of operating the program. In addition, O.E.O. has arbitrarily imposed a limitation of payment of no more than 20 percent of indirect costs, regardless of actual and audited indirect costs. The result is that in a typical approved project entailing an expenditure of $183,000 O.E.O. will provide $152,000 and the university must provide $31,000.

The official position of the director of O.E.O. is stated as follows: "My personal view is that cost-sharing in Upward Bound denotes the partnership that exists between this agency and the colleges in meeting an educational need which has been ignored too long." With the limited perspective of one agency director considering one program this is a reasonable statement. But if one were to extrapolate that $183,000 to $3.6 billion (roughly the level of all federal support at the present time) and the institutional share proportionately to roughly $620 million, the fallacy becomes obvious.

Furthermore, if Upward Bound, which is still experimental, is successful, we will be moving into the colleges large numbers of additional students who will need teachers, academic facilities, housing, and large sums for financial aid to fulfill our commitments to them—all to be provided under cost-sharing requirements. As institutions dedicated to public service we must, of course, hope for success, but success under current federal policies will create new problems.

To date, the strains on institutional budgets have been met in two ways which must be continued and in two ways which cannot much longer be tolerated. State appropriations and private philanthropy have been stimulated as the critical importance of higher education has increasingly won recognition. This trend must continue, and federal policies must be so shaped as to encourage it. Budget deficits and charges levied on students have increased
sharply. This trend must be reversed and federal policies must be so shaped as to prevent 'their necessity. We believe that in the years ahead every existing federal program should be examined, and new programs should be designed with these concepts serving as guidelines. The following specific areas require attention, and in giving them attention we must find answers to some hard questions.

Facilities: Should the Student be Billed

Historically, academic and housing facilities have been provided to institutions outright, through state appropriations and through philanthropy. Thus, in the past, it was necessary to charge students (if at all) only an amount sufficient to cover operation and maintenance. When, however, it became necessary, beginning in the 1950's, to construct in one or two decades more plant than had been built in the previous three centuries, a new pattern of financing emerged. Loans for college housing which, theoretically at least, can be self-liquidating have led to the necessity of charging room rents which would cover debt service as well. Construction of academic facilities through grants covering only a small proportion of construction costs and through loans is leading to a similar situation in which the institution must increase its fees to cover operation, maintenance, and debt service.

1. Would a sharp increase in the federal share in grants for academic facilities construction assist in stabilizing student fees? What should that share be?

2. Would legislation which supported new construction to replace obsolete facilities lead to greater efficiency and hence lower costs?

3. Are loans, except in exceptional circumstances, viable instruments for providing new academic facilities? For providing housing? If so, can loan programs be so revised as to make the debt service less burdensome on institutions and, in the final analysis, on their students?

Graduate Education: Healthy Colleges and Anemic Universities

Historically, graduate education has been concentrated in private institutions with large endowments and in public institutions in our wealthier states. The nation's need for manpower educated
beyond the baccalaureate level was small in proportion to the total population or even the undergraduate population. Beginning in the 1950's, however, the need for such manpower in all fields, but particularly in college teaching, became explosive. Federal policies now encourage institutions with limited resources available to them to move in to meet this need.

1. Is current federal support of graduate education sufficient to meet a reasonable share of the cost of that education?

2. Put another way, is the desire of more and more institutions to move toward more advanced degrees in more fields, and the encouragement by the federal government for them to do so, changing healthy colleges into anemic universities?

3. What percent of institutional resources previously assigned to undergraduate education is being drained off by the expansion of graduate education? How is graduate education affecting both the quality and the pricing of undergraduate education?

4. If graduate education, more than any other level of education, is a national, rather than a regional, state, or local concern, would it be appropriate for federal funding to be concentrated at this level? This would call for providing larger sums for institutional costs, library facilities and collections, and academic and research facilities.

Research: Always an Education Process

Most, but by no means all, research supported by the federal government in universities is inextricably interwoven with and essential to graduate instruction. Most of it, too, is essential to the fulfillment of the missions of the governmental agencies providing the support. Current government-wide policies require that universities share in the cost of supporting this research "at more than a token level." Although it can be argued that, because of a mutuality of interest, cost-sharing is logical, the net effect of the policy is to drain institutional resources or—to put it another way—increase the cost of graduate education. Furthermore, to the extent that the research does not significantly support the education process, it constitutes a drain on instructional dollars.

Other areas of concern in the realm of research include the government's almost total reliance on the project system and its
understandable determination to concentrate research in institutions of demonstrated excellence. Few could argue that project support should be reduced or that funds should be diverted from our great centers of learning. Yet ways must be found to permit more institutional determination of what research and researchers are to be supported. Furthermore, ways must be found to provide to institutions of lesser renown, which must continue to educate the vast majority of students, opportunities to work on the frontiers of knowledge and to grow in distinction.

1. Has the time come when cost-sharing in governmentally-supported research should be the exception rather than the norm? Might it even be sound national policy to provide funds over and above the full cost of such research as a means of strengthening the total program of the institutions?

2. Should all research-supporting agencies develop programs of institutional grants as supplements to project grants for the support of basic research? On what base and through what kinds of formulas can such programs be developed?

3. Can ways be found to involve more institutions in the government’s research effort without a sacrifice of quality and without weakening our strongest institutions?

Related Functions: For Whose Benefit?

Since World War II the government has, with increasing frequency, turned to higher education for expanded and often entirely new services. Some of these services are directly related to the main functions of higher education; others are at best peripheral. A partial list would include: the education (and the training) of increasing numbers of foreign students; major programs of technical assistance to the developing nations; expanded programs in extension, adult, and sub-professional training; major attacks on new and unresolved urban problems; the training of workers for a variety of new federal programs such as the Peace Corps, Vista, and the like; the establishment, staffing, and management of Job Corps camps; development of new or expanded programs in such fields as oceanography and water and air pollution. All of these programs require the commitment of university manpower resources and, ordinarily, their financial resources as well. The
time has come for a sober assessment of the ability of higher education to carry out the many roles society is asking it to undertake.

1. Is it possible to define the concerns of society to which higher education is uniquely qualified to address itself?

2. Has the time come, and will society accept the concept, for higher education to reject certain tasks now thrust upon it? Should some of these tasks be channeled to profit and others to non-profit enterprises or be performed, in-house, by government?

3. Can there be a reconsideration of the impact on the manpower and financial resources of higher education, of the increase in national problems to which higher education is being asked to address itself?

**Student Aid: Borrowing by Students, Not by Parents**

The answer to many of the above questions will determine future patterns of student financial aid, for their resolution will inevitably affect pricing of education. The government is increasingly committing itself to the full support of postbaccalaureate students on the premise that highly skilled manpower is the nation's most critical need. Its policy, or lack of one, in the support of undergraduate students is more confused. In general, however, the drift is toward encouraging heavy borrowing by students to pay for undergraduate education. Existing legislation will result in $6-10 billion in student borrowing in the next five years. This is resulting in our transferring the responsibility to meeting college costs, intentionally or unintentionally, from the parental to the student generation.

1. What are the effects of such a shift likely to be? Will it seriously affect patterns in seemingly unrelated areas such as career planning, marriage, real estate, and consumer products?

2. Would governmental programs designed to keep costs (and therefore pricing) down result in greater economies than allowing pricing to spiral and providing more massive programs of student aid to bring higher education within the reach of all? Or should we continue our current pattern, which is placing pricing closer to costs, and bridge the gap with bigger and new programs of student aid?
3. Should our ultimate national goal be the provision of free education at all levels? Would the return in future tax income from anticipated higher earnings balance the initial outlay that such a policy would require?

The Creation of Major University Centers

Some believe it clearly the intent of the government to increase the number and the geographical distribution of major university centers. Others see the drive in this direction as reflecting the intent of certain influential legislators and institutions rather than as a clearly defined congressional or administration policy. In any case, current policies designed to develop new centers are confused. Certain programs of the U.S. Office of Education, the National Science Foundation, the National Aeronautics and Space Administration, and less overtly of the Department of Defense, the Public Health Service—National Institutes of Health, and the Atomic Energy Commission are addressed to this problem. Obviously, an ill-defined, uncoordinated, multi-agency drive is not the best way to achieve such a goal.

1. How can the higher education community assist in the identification and then the development of new major university centers?

2. Is it desirable, and are there ways, to coordinate and focus the programs of many governmental agencies on agreed-upon ends in agreed-upon centers?

The Cost of Undergraduate Institutions

There is general agreement that the flow of federal funds to major universities is having a deleterious effect on primarily undergraduate institutions. This concern is related only in part to the flow of research dollars.

1. Can and should the government address itself to the problems of these undergraduate institutions? Can programs be devised to help them retain first-rate faculty? to assist first-rate faculty to retain their "first-rateness"?

2. Can existing federal programs be retailed, or new ones devised, that will enable these institutions to attract, and warrant attracting, first-rate students?
Institutional Cooperation and Division of Labor

As government needs, particularly in the field of research and graduate education, become more costly, rational determination rather than *ad hoc* decisions will increasingly be required.

1. Will large and complex centers under the direction of a single institution be the pattern? Or are we likely to move increasingly toward the consortium-managed centers?

2. What will be the division of labor among institutions? Who will determine it?

3. Should basic decisions rest in the states? or groupings of states? In this context, what are “the states”? At the present time there are individual institutions, associations of institutions (public and private), state commissions created as a result of federal legislation, chief state school officers, and governors, all contending to be thought of as “the states” and all to some degree supported in this contention by some federal program. Is this a healthy manifestation of diversity? Or is it confusion approaching chaos?

University Cooperation: A Transfer of Power

Increasing attention must be given to the structure of the executive and legislative branches of government in their relationship to higher education. But equally important, institutions must devote attention to their own structure for dealing with government. The increasing number and complexity of government programs will almost force a decentralization of decision-making, program management, and fiscal oversight away from Washington, D.C. and to individual institutions. Most institutions are ill-equipped at the moment to handle such a transfer.

1. How can government procedures be simplified and made more uniform to facilitate such a transfer?

2. How can institutions be assisted to reorganize to accept such a transfer in a way that will assure proper stewardship of public funds and the fulfillment of public purposes?

Broader Areas to be Explored

In the discussion above an attempt has been made to identify a few specific segments of higher education that require attention.
If we can find satisfactory answers to the questions posed, we shall have moved a long way toward some major solutions.

Nevertheless, the sum of the parts so far discussed does not add up to the whole. It seems almost inevitable that eventually the nation must consider federal support for the totality of higher education—support for the system as a system. How this is to be achieved must, perhaps, be left to the next generation. Even now, however, we should be debating possible approaches. The following suggest the kinds of questions that might be asked:

1. Should there be further revisions in tax laws to encourage increased contributions to higher education from individuals and from corporations? What should they be, and can they be so devised as to prevent erosion of the tax base?

2. Is a possible approach the one currently being discussed—that of returning to the states a portion of the federal tax? Under such a scheme how could we preserve the balance between public and private (sectarian and non-sectarian) institutions?

3. Would a government-wide policy of full reimbursement for all federally supported categorical aid programs free sufficient non-federal funds to provide adequate support for institutional programs? If not, would a “payment for service” surcharge provide a solution?

4. Would it be desirable for the government to expand greatly and extend broadly the “endowment of instruction” concept of the Morrill-Nelson Act? Would it be desirable and possible to extend this concept to private institutions? to church-related institutions?

5. Might an alternative approach be the payment of a federal “cost-of-education” subsidy to the institution in which each student enrolls? What controls would be necessary in order to prevent expansion-at-any-price becoming the prevailing policy at some institutions?

I ask you to forgive what must have sounded like the reading of a laundry list. I am fully conscious of the fact that not one of the major areas I have touched on has been adequately treated. Each one alone could be the subject of a talk longer than this one. If the series of questions I have asked was exhausting, let me assure
you it was not exhaustive. Let me close by saying that these questions are going to be answered by someone—somehow. They are going to have to be. But who is going to do it?

This is an age of White House conferences. It is an age of anonymous Presidential task forces. It is an age of government planners and computer programming. A couple of years ago when someone said that education is too important to be left to educators, it was considered a wisecrack. Today I see signs of its becoming doctrine. I suggest that the hour is at hand when higher education must say, “These are the things that must be done, and these are the ways we must do them.” If we fail to come up with our own answers, we shall have no one but ourselves to blame if we don’t like the answers that are provided us.

See Section IV in the back of this book

for annotated bibliography of related materials.
Precis

The Federal Government and Higher Education: Old Answers Breed New Questions

It seems almost inevitable that eventually the nation must consider federal support for the totality of higher education—support for the system as a system. In spite of the fact that achievements may be left to the next generation, we should begin debating possible approaches. There are four basic propositions to be understood before an understanding and an evaluation of future federal roles in higher education are reached:

1. The nation needs an increasing supply of college graduates in all fields; we can afford no loss of potential talent. We are, perhaps, facing the need less realistically than our forebears a century ago faced up to the need for universal elementary and secondary education.

2. Our existing structure of higher education is strong and diversified, representing a sizeable investment, but parts of the system are under severe financial strain.

3. Recent U.S. Congresses and national administrations have demonstrated a conviction that the federal government has a major role to play in financing higher education.

4. In spite of, or perhaps because of, this infusion of federal funds, the fiscal situation of many of our institutions is more precarious than it was a decade ago. This is so, in part, because the demands on our institutions are increasing more rapidly than available resources, but also because federal support has been almost entirely categorical and requires the commitment of additional institutional funds.

If limited institutional funds are to be spent in vital areas, in addition to these categories now partially supported by federal funds, then major readjustments in funding formulas—and in concepts of the responsibility of higher education—are going to have to be made. Included in the areas of necessary exploration are: facilities, housing and academic; graduate education; research; student aid; development of major university centers; undergraduate centers; and institutional cooperation and division of labor.

Somewhere answers are going to have to be found to the new questions raised by present methods of federal support to higher education. Who is going to do it? The hour is at hand when higher education must say, "These are the things that must be done, and these are the ways we must do them." If we fail to come up with our own answers, we shall have no one but ourselves to blame if we don't like the answers that are provided us.
Section IV

The Federal Government and Higher Education:
Old Answers Breed New Questions

This work is a discussion debate manual prepared under the auspices of the Committee on Discussion and Debate Materials and Interstate Cooperation National University Extension Association. Broad scope and concentration on all levels of education. Bibliography pp. 425-438.

This study includes: (1) Purpose and policy in Higher Education; (2) Factual material on actual government practice and progress, pp. 74-5; (3) Issues in federal aid to higher education; (4) State and local government, pp. 158-163; (5) National goals quoted, pp. 176-7, 181-4.

On the federal government and higher education up to the year 1962. Contains 10 chapters written by Nathan M. Pusey, David D. Henry, and McGeorge Bundy. Pusey's chapter presents the Carnegie Study of the Federal Government in Higher Education. Five separate chapters deal with the question of campus resource allocation. McGeorge Bundy concludes that "American higher learning is more not less free and strong because of federal funds."

Primarily a discussion of the agency-to-individual grant/contract system of federal support for research, and an analysis of the report written under the auspices of the National Academy of Sciences entitled "Federal Support of Basic Research in Institutions of Higher Learning." The author suggests that although there are inherent dangers in this form of support for research, it is the best way at present, but the institutions must police themselves carefully. He also calls for alternatives to this policy.


"The rather sudden growth of massive federal involvement in higher education since WWII has added an undigested new element to the relationship between universities and society. Our attempts so far to find solutions to these new problems have been engineering endeavors, not scientific ones. We have acted first and then tried to find rational justifications. Perhaps we ought to slow down long enough to take a look at where we are going before we find the path closed to alternate routes."


Describes the political and educational forces which formulate our government policy toward higher education. They state that political feasibility and expediency have been major determinants in such a policy and that federal programs are established not in the name of education but in the name of science, defense, etc. Book points up a chronic need for coordinating the policy and administration of government-higher education affairs.


This book is an analysis of the economics of education. The topic is dealt with as a sub-area of public finance and is basically an economics text. Under part two, "Sources of Public School Revenue," the total area of federal-state-local fiscal relations is discussed in detail. The text does not break the classification of education into sub-categories, but the problems of higher education are discussed.


Arguing that all children deserve freedom in education—the freedom to develop intellectually and expand their abilities—the author pursues the case for federal aid to parochial education. He contends that church-related institutions are a product of and asset to the diversity of the nation, and failure to equally support all institutions is leading toward a monolithic system.

Campbell, Roald F. and Gerald R. Sroufe. "Toward a Rationale for Federal-State-Local Relations in Education," Phi Delta Kap-
"We think that the increasing activity of the federal government in education demands examination and if possible the development of a rationale which would suggest the nature of an appropriate partnership among federal, state, and local governments as they relate to education. Our thesis follows: (1) the present situation is confused; (2) ours was a national federalism from the beginning; (3) there has been a gradual shift toward increased national federalism; (4) national federalism provides a basis for viewing recent policy developments in higher education; and (5) a rationale for policy sharing among national, state, and local governments is needed."


The results of this self-study by 23 institutions, as compiled by the foundation, form one of the first serious studies into the effect of federal support on higher education. Areas covered include: the federal interest in higher education; security, health, and scientific research; people and institutions; issues and prospects. Includes appendices on the impact of federal tax policy on higher education and institutional self-study schedule as well as an annotated bibliography.


Centers on a theme that higher education is a public obligation. Solutions to possible coordination between institution and where the needed money will come from to finance our increasing systems are of special note. Chapters are composed of previously published articles in periodicals by eight authors.


In the author's words he has "struggled to explain and present favorably the principle of individual freedom of choice and of institutional autonomy in higher education ..." which to him are more important than centralized planning and administrative bureaucracy. Dr. Conant's book, Shaping Educational Policy, is heavily criticized on the grounds that Chambers feels diversity rather than unity "... is needed in a state's higher education policy and at all costs our systems of higher education should steer away from any uniformity or regimentation of a bureaucratic nature."

A broad coverage of the programs and problems involved in the relationship between higher education and the federal government. Includes remarks by both leaders of government and higher education which indicated at the time serious problems did exist but were the product of common concerns and could be solved. Select Bibliography, pp. 117-26.

The book takes the position that a state must provide for and maintain its educational system. Mostly a broad, philosophical discussion using the term “state” to mean society or government in general. Deals with topics of natural law, state or educator, and the state’s duties toward itself.

The author describes some of the requisites necessary if governmental support of higher education is to be in the best interests of higher education. He contends that support must be more broadly based across the entire range of institutions and at more levels than just doctoral.

As an alternative to federal aid and thereby inevitable control, the author suggests a tax credit to those who donate to higher education. It is pointed out that a tax credit is subtracted from the amount of tax due, while a deduction comes from gross income. A review of present tax provisions with novel suggestions for the “treatment of appreciated property,” tax relief for persons bearing educational expense and “aid to student” are seen as attractive alternative measures.
to direct federal grants. Such a method would put aid in forms less
in private control and more open to public scrutiny.

Fuller, Edgar. “Government Financing of Public and Private Edu-
cation,” Phi Delta Kappan, Vol. XLVII, No. 7 (March, 1966),
pp. 365-372.
This article questions how much public education programs will be
damaged if private and sectarian institutions continue to use and
gain additional federal tax funds for their support.

Gardner, John W. A.I.D. and the Universities: Report to the Ad-
ministrator of the Agency for International Development. Wash-
ington, D. C.: Agency for International Development, (April,
1964), 51 pp.
The author contends that there is a vital and impressive partnership
between this, and like agencies of the government, and higher edu-
cation. Includes a description of the “University's Role in Technical
Assistance”; “The Aid-University Relationship”; “Participant Train-
ing”; “Research”; “University Contracts and Contract Administra-
tion”; “Personnel and Training”; and “Organization.” Considering
the present success and accomplishment of A.I.D., the author sug-
gests that sometime in the near future, a semi-autonomous govern-
ment institute be established to handle certain aspects of technical
assistance—particularly relations with the universities. This, he con-
tends, would enable greater long-term involvement in the combination
of maximum operating efficiency with full accountability to govern-
ment.

Goheen, Robert F. “Federal Financing and Princeton
University,” Educational Record, Vol. 44, No. 2 (April, 1963), pp. 168-
180.
In describing the effects of federal support upon one institution, the
author challenges the imbalance of support. However, he indicates
that governmental programs must reflect public policy and that what
is on trial is the American people's whole sense of organization,
values, and purpose so that one of the principal jobs of educators
is to bring the public to adequate awareness of the objectives,
accomplishments, and requirements of higher education. Includes a
list of Princeton's policies for sponsored research.

Green, Edith. Education and the Public Good: The Federal Role
in Education. Cambridge, Mass.: Harvard University Press,
1964.
Draws attention to and points up the weaknesses of the diffusion of
responsibility for educational programs in Congress. Urges consoli-
dation of major acts within the federal government in order to as-
certain the effects, achievements, and failures in our educational sys-
tem.

“A Guide to Federal Aid for Higher Education,” College Manage-
ment (December, 1965), 23 pp.
This pamphlet is published by the editors of *College Management*, a new magazine for college administrators which started publication in early 1966. Its purpose is to enable educators as well as state officials to become acquainted with the tremendous volume of education-oriented legislation enacted by Congress during 1965. The volume gives a short description of the various educational achievements and, more important, where inquiries can be sent in order to obtain additional material.


Book consists of ten papers written for the general session of the 1961 Stanford University Cubberly Conference. In the opening chapter Paul Hanna asks whether education should be classified as consumption or investment. He traces the transition which has taken place and describes education as "an instrument of national purpose and policy." Three other chapters of special note are "New Goals for Science and Engineering"; "American Higher Education: Its Progress and Problems;" "The Role of Education in National Goals."


Arguing that federal support is a necessary and good thing, the author indicates that institutions and individuals involved in higher education must now work separately and jointly to see to it that both needs, of higher education and of the public, are met. He contends that the question of government involvement and support is a moot one but that the terms of that involvement must continually be solved jointly.


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The third in the trilogy on the American Education Seminars held at Harvard University deals in length with the issues involved in the increasing role federal aid is playing in educational policy. Authors Logan Wilson, Vernon Alden, and James McCormack agree that the need for federal aid to higher education is evident but that
the criteria and objectives used for allocating this aid are the basic areas of disagreement. Philip H. Coombs and David Riesman address themselves to the area of planning in higher education. The last portion of the work is on the economic issues involved in the role of government to education.

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The economic issues facing higher education. The author defines and illustrates the nature of the problems and their various interrelationships. He includes 170 points by way of summary and emphasis which provide the casual reader with a concise overview of the issues. Areas covered include: cost trends; pricing; scholarships; loans; government contributions; the management of productive funds; costs and economies; and faculty. Includes bibliographical notes and index.

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This volume is the first of three books edited by Seymour Harris based upon Seminars on Higher Education held at Harvard University. It consists of papers written by different participants at the meetings and covers topics from "Pricing the Student Body" and "Government Aid" to "Economics and Educational Values." Of special note with regard to the government's role in higher education are the articles on "Federal and State Aid" by J. Paul Mather and "Higher Education and the Federal Budget" by Richard A. Musgrove. Musgrove saw early in the federal interest in education the need for aid in the form of direct assistance to the operating costs of institutions.

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It is shown that expenditure in all levels of education have not kept pace with the use in other levels of expenditures by all levels of our government. Harris contends that higher education is by far a more complex problem in education than lower education and will require more than just additional money. Also that new mechanisms of finance as well as a redistribution of emphasis from local support to federal must come about in order to alleviate the tremendous burden placed on local and state governments.

James M. Hester, president of New York University, expresses genuine concern for the new position which our nation's private institutions have been placed in. He raises such questions as: Is there a place for private higher education in a society that has decided to provide higher education through taxation? Will increased taxation leave sufficient funds in private hands to enable us to finance private education? Do the private possessors of wealth and the corporations
of this country understand and value free enterprise in higher education sufficiently to make the voluntary subsidies that would reduce the need for government subsidies and possible control? His suggestion is a more biennial tax structure for private donations and a realization by everyone that there is nothing antagonistic about public and private education, provided they can both survive.


Author indicates that, soon, 25 percent of all college students may be borrowing money for college expenses and up to 10 percent of all college expenses may be met by loans. A director of one of the nation's largest, private college loan companies, he urges local, state, and voluntary efforts in the area and argues against government involvement on a massive scale.


Author analyzes the history and present situation of federal aid, concluding that the imperative need to keep higher education solvent and expanding justifies a further federal investment in the enterprise. This equalizes educational opportunity among the states without damaging essential authority or responsibility.


“It can be argued that any national policy for education (even when flexibly applied) would represent an intrusion of the federal government into the affairs of many private institutions, which would see their autonomy being threatened. There is no doubt that this would be so, but the argument is weakened by the already critical dependence of many leading private universities on federal funds for science and engineering. Many universities appear to like the present hodgepodge arrangements, saying that they are the least intrusive method of support, but against this is the fact that this method makes any real policy impossible.”


“The problem of transforming poor schools is closely analogous to that which confronts the Office of Economic Opportunity in trying to promote ‘community action’ against poverty . . . . But when it was suggested that educational reformers would need similar powers, the Office of Education took the ‘realistic’ view that Congress and the National Education Association would never stand for it.”

The author contends that the partnership between the federal government and higher education has been very productive, but now it is time to seek a wider and deeper relationship aimed at developing more institutions and improving areas other than just the sciences. Both education and government will need a better-coordinated voice.

This volume, the McGraw-Hill 50th anniversary study of the economics of higher education in the United States, includes a broad coverage of the economic issues facing higher education by many noted scholars in the field. From a broad overview provided by Philip H. Coombs and Seymour E. Harris, the volume moves into specific issues, moving from the role of research to aspects of long-range planning to the role of private support. Of unusual interest is the chapter entitled "Outside the Conventional Structure," by Harold F. Clark.

The author pursues the idea that large-scale federal financing of research has set in force irreversible trends that are affecting the nature of the universities, altering their capacities to teach, changing their financial status, modifying the character of part of the federal administrative structure, establishing new political relations, and changing the way research itself is organized. Believing these trends are good, the author develops these points from the research goals of the federal agencies and the functions of the universities to university participation in federal decisions. Includes bibliographical notes and index.

This article includes a discussion of "the effects on academic freedom of all outside funds for research . . . . The essential relationship of research support to academic freedom arises from the terms and conditions under which funds are provided and not from the source of funds. To be explicit, the earmarking of university funds or state appropriations for research to be conducted under tightly drawn terms and conditions can pose the same threats to academic freedom as can research funds provided by the federal government or by the large foundations."

This book is a compilation of papers that were required background reading for the participants in the Seventeenth American Assembly, May 1960. It is a thorough source of information about the growing activities of the federal government in colleges and universities.

Compares findings of 10 most recent major books. The author wonders if possibly the remarkable similarity in these books stems from the fact that fiscal policies of colleges and universities are a direct outgrowth of fiscal policies of the government rather than a genuine agreement with the role the government is presently playing in higher education. The author expresses concern that institutions are not keeping in mind that the basic responsibility of educational institutions is education and that programs of specialized service, research or other projects have their justification when they support the educational function.


This article, although outdated, is still of value in showing the interdependence between higher education and the national government. The author readily identifies the issues, i.e., maintain diversity of institutions and in sources of support safeguard institutions' independence and freedoms, improve coordination of government and educational policy.


Describes the federal programs, participating institutions, and the effects of the programs on the institutions. The survey, while comprehensive and thorough, is slightly dated. Bibliography, pp. 52-6.


This article discusses the trends in higher education which center around two general problems: (1) problems of quantity—how to get teachers, classrooms, books, etc.; and (2) problems of quality—how to ensure that educational programs in the future will be of such strength as to stimulate the fullest possible development of human promise, and how to match the needs of a changing society.


and "Observations and Comments" by Frank H. Bowles. The volume contains a good anthology of material on major issues in higher education.

Is the junior college really a unique institution serving special functions which other institutions cannot serve effectively or do not serve at all? This is the basic question Dr. Medsker addresses himself in this study of some seventy-six two-year institutions in fifteen states.

The history and extent of federal support to higher education. Assuming aid is needed we must decide whether states and institutions or students are to be the direct recipients. The problem of allocation among the various institutions and students is the other major issue to be resolved. In conclusion the author suggests that direct governmental expenditures and scholarships are superior to tax changes and loans. This article concisely presents an excellent picture of the issues which face government and education in the 60's.

Moore and Field, both officials in the Bureau of Higher Education, have written a very informative and descriptive article on the Higher Education Facilities Act of 1963. By tracing our nation's past need for such a bill the authors point out its significance and effect on higher education. Statistical information along with illustrative comparisons between various states and institutions gives the article a very comprehensive outlook. The authors conclude that in enacting this legislation, Congress has shown a strong and abiding confidence in the ability of American higher institutions to frame reasonable financial programs.

A study of the challenge and response in the day-to-day relationships between public institutions of higher education and American state governments. The authors believe that the trend toward administrative centralization within the states has been a major factor in introducing greater stress into relations between public colleges and universities and state government.

A factual presentation of the political factors, i.e., interest groups,
legislative, government agencies in the problem of getting a program of federal aid to public education passed. Although the work is mostly on public education in general and lacks material since 1962, it does contain some very good descriptions of some political practices which don't meet the eye. Includes bibliography.


Muirhead of the U. S. Office of Education in this address discusses how federal resources can be utilized to enable universities to do a better job of educating. He establishes the theme that federal control is a myth and that we should begin to think of the federal government as belonging as much to our citizens as do their local and state government. He concludes that a utilization of our national resources must be achieved while protecting the local foundations and controls of our schools.


A number of economists discuss the range of economic problems on which initial research has been accomplished and its implications to higher education; and suggest many areas where additional research is needed. Areas specifically covered include: College-Trained Personnel: Supply and Demand; Higher Education as an Investment in People; Financial Resources for Higher Education; and Economic Research in Higher Education. Introduction by Homer D. Babbidge, Jr., includes bibliographical notes with each article and various appendices.


As part of Project '70', a series of studies of state revenues and expenditures projected to 1970, this publication is concerned with questions raised if higher education needs are to be met in 1970. Contending that this is probably the fastest growing area of state expenditures during the coming five years, the authors look at present figures and, assuming certain economic and demographic conditions, project the necessities of 1970, and the amount of additional tax support required. Includes appendices showing statistics on a state-by-state breakdown.


Composed of a series of articles by leading academicians and scholars, this volume sought to answer two broad questions presented by the House Committee on Science and Astronautics: (1) What level
of federal support is needed to maintain for the United States a position of leadership through basic research in the advancement of science and technology and their economic, cultural, and military applications?; and (2) What judgment can be reached on the balance of support now being given by the federal government to various fields of scientific endeavor, and on adjustments that should be considered, either within existing levels of support or under conditions of increased or decreased over-all support?

An historical work on the four stages of development in our state and land-grant institutions, with special attention to their contributions to democracy. Current trends in enrollment, academic curriculum, and structure of public and private institutions. Of special note is chapter four on future trends.

By discussing specific grants and aid programs, the author arrives at three major conclusions: Federal programs have been increasingly concentrated in the sciences at large major universities while not diversifying impact. Such a trend has had beneficial results in the sciences at the sacrifice of the social sciences and humanities. The second area of concern is over the moot question “should funds be more widely dispersed?” In his last chapter, “Federal Control,” the author suggests that institutions, in order to maintain autonomy and independence, should creatively determine their policy with regard to specific programs and presume these objectives at all costs.

“What, since WWII, has been the relation of federal expenditures to the quality of higher educational institutions, of instruction, and of research, and what changes, if any, should be made in the present pattern of expenditures?” Mr. Orlans' conclusions are drawn mainly from a study of the effects of federal programs on departments of science, social science, and the humanities at thirty-six universities and colleges, undertaken by the Brookings Institution for the U.S. Office of Education.

Viewpoint throughout the book is that education under the auspices of government has both reflected and strengthened concepts of individual freedom and opportunity. Issues such as control, goals, financing, and church and state are each discussed in regard to the role each branch of government will play in determining these issues. Bibliography, pp. 113-114.

"...it would be naive to assume the present volume of government grants to universities for theoretical science could have been stimulated solely by a zeal for pure learning on the part of administrators or congressmen. The mixed motives that have led to this tremendous volume of appropriations are likely to lead to difficulties in the long run." The author goes on to discuss the problems likely to arise in the future and the dangers inherent in projections based on past experiences.


A discourse on the challenge our nation's higher education must accept as a free nation. Stresses the interdependence of education and government in satisfying our chronic need for a unified effort in the area of education.


Provides the reader with a background of the federal government's role in financing higher education by outlining the history of federal programs and pointing out the principal issues. Specific outlines are suggested on which a federal program might operate for aid to both student and institution.


In answering the questions (1) how much should be spent on higher education, and (2) how much of the responsibility will fall upon state-supported—as opposed to private institutions of higher learning, the authors discuss state support in terms of: Higher Education and Optimum Resource Allocation; Needs and Means of State-Supported Higher Education; The Role of the States in Public Higher Education; and State Support vs. Higher Tuitions.


This manual which is distributed by the American Council on Education is an exhaustive source of administrative and descriptive information on federal programs of all kinds. It serves the purpose of enabling institutions of higher education to become better acquainted with the opportunities available to them through government programs. The volume covers federal programs in the form of grants.
and loans for research equipment, facilities, fellowships, traineeships, and scholarships.


Although primarily oriented to elementary and secondary education, the author develops the idea that federal aid to education is indicative of a national interest in education. However, the assertion of a national interest demands more than federal funds; it must also include goals and standards and a new pattern of relationships between and among the various levels of government and private parties concerned with public education. Calls for expanded functions of the United States Office of Education. Includes index and bibliographical notes.


The author contends that the educational process serves the nation best when it is true unto itself, but "only if there is a genuine awareness of national needs, and a willingness to meet those needs with initiative and imagination."


This article provides a well-defined summary of data collected in a survey of the effect of federal funds on higher education, undertaken by the Carnegie Foundation for the Advancement of Teaching. Results did indicate that federal support of research exerted the greatest influence upon the participating institutions. Most institutions participating also felt that the force of the federal dollar was directed at immediate needs nationally and that programs should consider the long-range growth and improvement of higher education.


A study of all the educational programs which the government was involved in at that time. As submitted by Edith Green, chairman of the Special Subcommittee on Education, this document includes an analysis of the following: executive jurisdiction over educational programs; congressional jurisdiction over education legislation; facilities and equipment; support of students; support of teachers; curriculum strengthening; research in colleges and universities; federal institutions of higher education; federally impacted schools; miscellaneous programs; education of government personnel; programs in international education; and a summary of education expenditures. Study includes several supplements to text, a selected bibliography, and index.
This publication provides a look at this pressing question. It is made up of the responses of the academic and other interested communities to an inquiry by Congress. Includes excerpts and replies from some of the 300 persons polled. Questions asked included the students, faculty, institutions, graduates, and the government.


The author states that America faces a dilemma that calls for a careful re-thinking of national policy and university functions . . .

"The more fundamental problem, both for the universities and the nation, is the competition that has been engendered for the very highly trained and creative individuals who comprise the faculties of our universities."


The author says that educators should encourage and engage in more and more investigations of our educational policy processes. First, to understand and perhaps direct emerging changes in local, state, and federal roles; second, to develop systematic knowledge about the politics of education upon which to base a training program for future educational statement. The Compact for Education is cited.


In this article the author deals with two problems in higher education which have large implications for state finance and educational planning, as well as distribution of national research funds: (1) Enrollments will continue to mount rapidly, reaching into the post-graduate levels; (2) educational excellence must be maintained, expansion must not dilute quality.


The author urges that the leadership of higher education involve themselves in the development of governmental programs in higher education in order to achieve some basic consensus on goals and direction which are in tune with the ideals and long-range needs of higher education. He cites the maze of political factors and items of national interest which complicate this process, and chides educators for failing to provide better guidelines for legislation and programs.
This volume of essays is contributed by the nation's leading educators and scholars in American higher education today. Directed primarily at organization and direction, it covers: the changing environment of higher education; institutional modifications; the emergence of state systems; voluntary arrangements; interinstitutional and interstate agreements; unified approaches to national problems; national associations in higher education; and national policy for higher education: problems and prospects. Primary emphasis is toward the emergence of a stronger national higher educational policy.

Contending that the growing interdependence between government and higher education calls for an unending assessment of the partnership, the author calls for a greater effort by institutions and organizations of higher education to address themselves to the nature and growth of this partnership. He cites the efforts being made by the American Council on Education.

In this article Logan Wilson suggests certain major principles which he believes should be sought in developing the ideal "partnership" between the federal government and higher education. He sets forth six such principles, ranging from the broad encompassing one of allocating federal funds as to national interest and not regional pressure, to more concise principles such as the selectivity and merit qualifications of allocating federal programs.