

**William D. Ford**  
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The Higher Education Act After 20 Years: Old Dreams and New Realities  
The Honorable William D. Ford  
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Twenty years ago this year I was sworn in as a freshman member of the 89th Congress. I was very fortunate in obtaining what was then a plum committee assignment to the Education and Labor committee. The committee was at the cutting edge of the War on Poverty and the Great Society producing a flood of anti-poverty, manpower training and education legislation. This assignment fit very well with my interests and background. I came to the Congress, and have remained there, with the support of working people and organized labor. As a school board attorney and a state legislator, I had devoted a substantial portion of my professional work to education issues. With my assignment to the education and labor committee and my freshman enthusiasm, I looked forward to making a contribution as a legislator. I had no idea, however, of how quickly I would become a participant in legislation of historic significance.

I was particularly delighted with President Johnson's special message to the Congress titled "Toward Full Educational Opportunity." This message was sent to congress on January 12, 1965 during my first week as a congressman.

What this message said about the importance of education and the importance of a strong federal role in support of education closely fit my own views, and I have quoted from it frequently in the intervening years. President Johnson said in that message, "every child must be encouraged to get as much education as he has the ability to take."

"Specifically," he continued, "four major tasks confront us"

- to bring better education to millions of disadvantaged youth who need it most,
- to put the best educational equipment and ideas and innovations within reach of all students,
- to advance the technology of teaching and the training of teachers; and
- to provide incentives for those who wish to learn at every stage along the road to learning."

The proposals contained in this message became the foundation for two of the towering landmarks of federal educational policy, the Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965.

I came to the congress on the tidal wave of Lyndon Johnson's 1964 election victory, but I was fully prepared not to like Lyndon Johnson as a person or a politician. I was a northern

Hubert Humphrey liberal reared in the progressive traditions of the Michigan Democratic Party and the United Auto Workers. My prejudice was that President Johnson was a Southern wheeler dealer from a right-to-work state with limited sympathies for advances in domestic policy, civil rights and organized labor and closely tied to special interests like the oil and gas producers. However, I was pleasantly surprised to find that my service in congress during his presidency was marked by almost total agreement with him on domestic policy. I was an enthusiastic supporter of the goals of the great society in areas such as civil rights, Medicare, housing, repeal of section 14(b) of the Taft Hartley act, minimum wage and education.

I came to have a special admiration for Lyndon Johnson as an education president. In 1965, he kindled a flame and pointed national policy in a direction that I am proud to be a part of sustaining. I am particularly proud to present this lecture, named in President Johnson's honor, at his alma mater, Southwest Texas State University, which was the site of the signing of the Higher Education Act, twenty years ago tomorrow.

It is not usually understood that President Johnson's dream in proposing the Higher Education Act and my dream in seeking to continue and expand the act were born in the experience of the GI Bill. The GI Bill was motivated by a desire to assist veterans in their readjustment to civilian life and to keep massive numbers of returning veterans out of the postwar labor market. However, it had two very important, although largely unanticipated, effects.

First, it opened the doors of opportunity through education for millions of Americans, including myself. Without the education I received through the GI Bill, I would not be a lawyer and a committee chairman in the US House of Representatives with over twenty years seniority. I would probably instead be approaching my fortieth year in one of the auto plants had I not retired, been permanently laid off or disabled by now.

A second effect of the GI Bill was the investment that it made in the human resources of our nation. This investment has been repaid many times over in the increased earning power and taxes paid by those who benefited from the GI Bill. This investment in our human resources has also fed our economic growth, bolstered our national security and improved the quality of our civic and private lives in innumerable ways in the decades since World War II.

The dream of President Johnson in proposing the Higher Education Act of 1965 as stated in his message to Congress was:

"To extend the opportunity for higher education more broadly among lower and middle income families."

And, he noted, speaking of education generally,

"Nothing matters more to the future of our country: not our military preparedness - for armed might is worthless if we lack the brain power to build a world of peace; not our productive economy - for we cannot sustain growth without trained manpower; not our democratic system of government - for freedom is fragile if citizens are ignorant."

Essentially President Johnson was proposing that the benefits of the GI Bill be made available to all our citizens. Opening the doors of opportunity and investing in the human resources of our nation remain the principal goals of the Higher Education Act as they were the principal benefits of the GI Bill.

The Higher Education Act as enacted in 1965 had eight titles. Seven of those titles remain largely intact in their basic purposes, such as student financial aid, library assistance, teacher training, construction of academic facilities and support for developing institutions. In addition to these important continuities between the Higher Education Act of 1965 and the current Higher Education Act, the act has also evolved in at least four significant ways.

First, the Higher Education Act has increasingly become the comprehensive umbrella for all federal programs supporting higher education outside of the research programs such as those supported by the national science foundation or the national institutes of health. For example, the Higher Education Facilities Act of 1963 has been absorbed into the Higher Education Act.

The most important programs affecting higher education in the national defense education act of 1958 are now a part of the Higher Education Act. These include the National Defense Student Loans, now called the National Direct Student Loans, and the International Education Programs, which are now Title VI of the Higher Education Act.

The upward bound program and the college work study program, two of the most successful initiatives of the office of economic opportunity, are now equally successful and integral parts of the Higher Education Act.

Second, the Higher Education Act has become the vehicle for new initiatives in support of higher education. The student aid programs have been dramatically expanded to include the Basic Educational Opportunity Grant (now Pell Grant) program, the State Student Incentive Grant Program and the Student Loan Marketing Association, all of which were enacted in 1972.

The programs to provide student services are aimed at assisting students to overcome the non-financial barriers to educational opportunity, such as lack of information and inadequate academic preparation. These programs have grown from the talent search program in the original 1965 act to five programs today, paradoxically known as TRIO. Other new federal initiatives in support of higher education such as graduate fellowships, the Cooperative Education Program, the Fund for the Improvement of Postsecondary Education, the Law School Clinical Experience Program and support for urban universities have also found a home in the Higher Education Act.

Third, the programs contained in the original act have undergone substantial change through the four comprehensive reauthorizations of the act and numerous other amendments. For example, the guaranteed student loan has evolved into a variable rate instrument tied to the cost of money in the economy, and it is very attractive to lenders. The primary provider of default insurance in the program has shifted from the federal government to state guaranty agencies and a network of secondary markets led by the Student Loan Marketing Association has developed to support the program.

The Educational Opportunity Grant, now called the Supplemental Educational Opportunity Grant, originally contained a bonus for students who ranked in the top half of their class. Now student awards are based entirely on a student's financial need.

The Teacher Corps Program, which was a centerpiece of the 1965 act, was consolidated out of existence by the Gramm-Latta Reconciliation of 1981. There are probably few who recall that the Teacher Corps was the most controversial program in the 1965 act. In fact, the most serious threat to the passage of the 1965 act was a motion in the House to recommit the conference report with instructions to delete the teacher corps.

Finally, perhaps the most dramatic change in the Higher Education Act over the last twenty years has been the shift from an act which primarily supported higher education through the purchase of things, such as buildings and books, to an act which supports higher education primarily by investing in people through the student aid programs. The 1965 act provided for total authorizations of almost \$1.1 billion for its first year, fiscal year 1966. Of this total authorization, 68% of the funds were authorized for institutional aid programs and the remaining 32% for student aid. The largest single authorization in the 1965 act was \$460 million for grants to build undergraduate academic facilities.

Under current law, the by 1986 authorization for the Higher Education Act is \$11.9 billion, a growth of more than ten-fold in twenty years. Of the funds currently authorized, 90% are for the student aid programs and only 10% for institutional aid programs. The watershed in this shift in priorities was the 1972 reauthorization when an expansive institutional aid program passed by the House was rejected in conference in favor of the Basic Educational Opportunity Grant, which now provides \$3.6 billion in grants to undergraduate students.

While these trends have characterized the evolution of the Higher Education Act over the last twenty years, other developments of the last five years, particularly in student aid, are the focus of current concern about the future of the act.

By many measures the Higher Education Act has been a great success. Enrollments in postsecondary education have increased from 5.5 million in 1965 to 13 million this year. In 1966, 1,120,000 student aid awards were made to approximately 750,000 students under all the student aid programs. In the current year, 8,745,000 student aid awards are being made to approximately 6,000,000 students. Through the programs contained in the Higher Education Act, about \$31 billion in grants have been made to students, approximately \$58 billion in educational loans have been borrowed by students and over \$8 billion in work opportunities have been made available. In sum, students have received nearly \$100 billion in federal aid to assist them in paying for higher education through the Higher Education Act. I believe that this growth in enrollments and the increased participation in higher education by students from moderate and low-income families is in large measure a product of this federal investment in student aid. For example, by 1975 the proportion of black high school graduates enrolling in college equaled the proportion of whites.

However, many of these gains have been eroded in recent years. For example, since the mid-seventies the rate of participation in higher education of students from families with incomes below \$10,000 has dropped 17% and that of black students has dropped 11%.

This narrowing of educational opportunity is related to the decline in the purchasing power of federal student aid in the last five years and to an extraordinary shift in federal aid from grants to loans. In constant dollars, the value of student aid eroded by

21% between the 1980-81 school year and the 1984-85 school year. Of particular significance is the fact that in by 1979 the maximum Pell Grant represented 46% of the average cost of attendance at all postsecondary institutions in the United States. In the academic year 1984-85, the maximum fell grant provided only 26% of the average cost of attendance. In short, while the value of all federal student aid declined by one-fifth, the purchasing power of the primary federal grant program decreased by nearly one-half.

As the value of grants have declined, students are increasing their borrowing in order to finance their education. In the current year, \$13.7 billion will be available to students through the federal student aid programs. Of this amount, 64% will be in the form of loans and 36% in the form of grants and work-opportunities. In the late 1970s, a few short years ago, this proportion was exactly the opposite. What is particularly disturbing is that the lowest income students are being increasingly forced to borrow to pay for postsecondary education. For example, in 1979, 15% of the lowest income students (adjusted gross incomes of \$6000 or less) borrowed to finance their education at private colleges. By 1983, 57% of this same lowest income group were borrowing. In fact, at private colleges the lowest income students are just as likely to be borrowing as middle income students.

The original purpose of the guaranteed student loan program has been stood on its head. In the House Committee report on the Higher Education Act in 1965, the commissioner of education is quoted as saying that the purpose of the guaranteed student loan program is to help middle income families "spread out over more than the 4 years of college" the costs of college through a "loan of convenience.

"Helping the middle-income student and his family to bear the heavy brunt of college costs would seem to have a reasonable claim on a share of our national commitment to offer every child the fullest possible educational opportunity," the commissioner concluded.

Far from being a loan of convenience for middle income families, the guaranteed student loan has become the loan of necessity for all families. Where past history knew a class of indentured servants, today we are producing a class of indentured students who must work to free themselves from the bondage of educational debts.

It is now not unusual for undergraduates to have educational debts of \$10,000 or more. On average graduates of the University of Detroit Dental School are more than \$30,000 in debt, and it is not unheard of for medical students to have loans in excess of \$100,000 as they enter practice.

This explosion in student indebtedness raises several very worrisome public policy concerns:

Equal educational opportunity may be still further eroded. For low income and minority persons, if the choice is between paying for postsecondary education with loans or not attending college, many will choose not to attend. Students from low-income and disadvantaged backgrounds lack the familiarity. With debt financing that has become the heritage of every student from a middle income family where mortgages and credit cards are a way of life. Students from deprived backgrounds lack the security and confidence to undertake high debts with the knowledge that their education will enable them to earn a sufficient income to repay their loans.

Students burdened by large debts are less likely to continue their education beyond an undergraduate degree. Therefore, graduate enrollments, particularly in the arts and humanities, which are already suffering, will suffer more. The ability of colleges and universities to rely on alumni donations may be significantly diminished.

The alumni-donor is being transformed into the alumni-debtor who is less likely to contribute to the alma mater.

Student loans are fast becoming a major component of consumer debt in our nation. There is well over \$35 billion in outstanding guaranteed student loans and national direct student loans. How will the next generation afford a home or a car if their disposable income is committed to paying off student loans? This could have important effects on consumer behavior and our economic future.

Many social commentators have remarked that the current generation of students is more materialistic and less idealistic than its predecessors. In 1968, about 40% of the college freshman polled said that an important reason for attending college was "to be well off financially." This year that percentage increased to 71%, the highest ever. During the same period, the percentage of freshman saying that an important reason to attend college is to "develop a meaningful life philosophy" declined from more than 80% to 40%. One can at least speculate that one reason for this change is the materialism forced on students confronted with the responsibility to pay off substantial educational debts.

Educational debts also may influence the choice of majors and careers. The recent boom in computer, business and accounting majors and the decline in humanities majors is a well known phenomenon. Even if the new materialism did not diminish the attractiveness of low paying public service jobs, who is going to take these jobs when faced by stiff educational loan repayment obligations? Where will we get our school teachers, family practice doctors, ministers, social workers, Peace Corps and Vista Volunteers in the future?

In addition to the shift in student aid priorities from grants to loans, I also sense a shift in the national mood about who should benefit from federal student aid. In the 1960s and 1970s, there was a strong element of altruism in the federal policy to promote equal educational opportunity. We wanted to win the War on Poverty. We as a nation were willing to aggressively reach out and to reach down to help the poor, minorities, the handicapped, those of limited English speaking ability and those who were first generation in college. We started federal programs to provide assistance to those who lacked the motivation or the skills to make their way successfully on their own into postsecondary education. Some colleges and universities made similar commitments and instituted open enrollment policies premised on the view that it was the job of educators to take citizens where they found them and help them change and improve. There was a concern that education be made "relevant" to students. Education, many believed, should fit the interests and needs of the student rather than vice versa.

Today many of the programs of the 60s and 70s have survived and much of our rhetoric of equal educational opportunity has remained the same. However, I have a sense

that some underlying attitudes about what many people mean by the rhetoric has changed. I think that in many people's mind's eye they see the federal programs as appropriately serving the well-scrubbed, well-prepared and already motivated student whose family is hard pressed to provide enough money for postsecondary education. It seems to me that the "high risk" student, the "marginal" student and the students from "special populations" are no longer the target group when people think of the purposes of federal programs to provide equal educational opportunity. We seem to have lost interest in the "unwashed poor," to focus instead only on the washed poor.

Educators now talk about "quality", "excellence," and improving academic "standards." Mostly what is meant is raising *admission* standards. If the student is not well enough prepared to meet the standards or motivated enough to jump through the hoops, it is his or her fault or tough luck.

However, as we look forward the year 2000, if our altruism has faded as a reason to support the federal higher education programs our self interest as a nation should sustain a continued and expanded commitment to these programs. For without a renewed commitment to them it is doubtful that we will have the trained workforce needed to sustain our economy, our national security or the quality of our national life.

We all know that the traditional college age cohort has been declining in size with the passing of the baby boom generation into middle age. The traditional 18-24 year old group will bottom out in size in 1995 at which point they will be about 7 million fewer than they were in 1982, a 22% decline from 1982 to 1995.

Perhaps more significant than the change in the number of persons in the traditional college age cohort is the changing composition of that cohort. The fastest growing subgroup of the American population is Hispanics. Their numbers grew by 61% between 1970 and 1980. The population of whites grew by 6% in the same period.

In 1970, minorities constituted 21% of all youth. By 1990 they will be over 30% of all youth.

In states like California and Texas, minorities will be over 45% of the youth cohort by 1990.

Currently, 23 of 25 of the nation's largest cities have minorities as a majority of their school enrollments.

By the year 2000, more than 50 major US cities will have a majority population of minorities.

Minorities have a lower high school completion rate than whites - Hispanics about 55%, blacks about 65% and whites 80%.

Minorities also have a lower rate of college participation than whites, e.g. blacks 28% and whites 33%.

Thus, a nation in need of increasing numbers of trained and sophisticated citizens faces a double jeopardy threat from the demographics - a smaller pool in the traditional college age cohort and a change in that cohort to be composed increasingly of those less likely to finish high school and less likely to go on to college.

It is therefore, in the national interest to continue the equal educational opportunity programs and to see them expanded. These programs are proven mechanisms to reach out and draw into postsecondary education students from low-income and minority populations. Without these programs, how will we have the human resources to meet our economic and national goals in the future?

It is in this context of the declining purchasing power of federal student aid, burgeoning student indebtedness with all of its worrisome consequences and the challenges of the demographic realities of the future that we are now engaged in the fifth comprehensive review of the Higher Education Act in its history. The act expires next year unless it is extended, or, as we say, reauthorized.

As chairman of the Subcommittee on Postsecondary Education, which has jurisdiction over the Higher Education Act, I have this year presided over 35 hearings on the reauthorization of the

Higher Education Act. Twenty-three of these hearings were held in Washington and the other twelve at various locations around the country from Seattle, Washington to Portland, Maine. During the hearings 352 witnesses presented over 115 hours of testimony on proposed changes in the Higher Education Act. Following this process of broad public comment on the act, we are now in the midst of considering amendments to the act in committee. I am very hopeful that we will complete consideration of a reauthorization bill in the house this year and have a bill to the president for his signature by the middle of next year. This will insure that there is no interruption in the continuity of the programs contained in the Higher Education Act.

Our task in this reauthorization is much more difficult than usual. Usually we only have to deal with the tensions between the sectors of higher education, the diverse interests of about 150 groups and organization which speak for or take an interest in higher education, and the views of 435 house members and 100 senators representing the pluralism of local, state and regional interests that constitute our nation, to say nothing of the arguments on the merits of changing the programs. In this reauthorization, we are also confronted by a tight-fisted fiscal environment caused by a doubling of the national debt in the last five years and \$200 billion annual budget deficits. The competition for federal dollars is fiercer than ever before in my experience and probably going to get worse.

In addition, we have a president in the White House who does not share the bipartisan commitment of his most recent seven predecessors going back to President Truman (including four Democrats and three Republicans) that the federal government has a responsibility to open the doors of educational opportunity not only for the sake of the individuals who will benefit but also as President Johnson said, "for the nation's sake."

A recent statement on the federal role in higher education by the board of trustees of the Carnegie Foundation for the advancement of teaching entitled "sustaining the vision" aptly characterizes the perspective of the current administration.

It says:

"Today the vital federal connection to our colleges and universities is being challenged. After decades of strong bipartisan support, the current debate about budget priorities has been focused almost exclusively on numbers and on the negatives of higher education. The larger perspective has been lost."

"We hear how much education costs, not how much it's worth. We are told that students are exploiters, rather than tomorrow's leaders. And we are reminded of the abuses, not the benefits of aid to higher education."

Despite these storm clouds of the present, I am confident and optimistic that we will be able to extend and perhaps even modestly improve the Higher Education Act in

this current congress. And I am even more confident that in the long run President Johnson's vision expressed in his statement upon signing the Higher Education Act at Southwest Texas State University twenty years ago will be sustained. He said:

"Here (on this campus) the seeds were planted from which grew my firm conviction that for the individual, education is the path to achievement and fulfillment for the nation, it is a path to a society that is not only free but civilized and for the world, it is the path to peace - for it is education that places reason over force."

*Lecture transcribed by Benjamin Hicklin, graduate research assistant 2007-08*