

HIGHER EDUCATION

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

ON HIGHER EDUCATION OPPORTUNITIES

MARCH 19, 1970.—Referred to the Committee on Education and Labor, and ordered to be printed

To the Congress of the United States:

No qualified student who wants to go to college should be barred by lack of money. That has long been a great American goal; I propose that we achieve it now.

Something is basically unequal about opportunity for higher education when a young person whose family earns more than \$15,000 a year is nine times more likely to attend college than a young person whose family earns less than \$3,000.

Something is basically wrong with Federal policy toward higher education when it has failed to correct this inequity, and when government programs spending \$5.3 billion yearly have largely been disjointed, ill-directed and without a coherent long-range plan.

Something is wrong with our higher education policy when—on the threshold of a decade in which enrollments will increase almost 50%—not nearly enough attention is focused on the two-year community colleges so important to the careers of so many young people.

Something is wrong with higher education itself when curricula are often irrelevant, structure is often outmoded, when there is an imbalance between teaching and research and too often an indifference to innovation.

To help right these wrongs, and to spur reform and innovation throughout higher education in America today, I am sending to the Congress my proposed Higher Education Opportunity Act of 1970.

In this legislation, I propose that we expand and reramp student aid so that it places more emphasis on helping low-income students than it does today.

I propose to create the National Student Loan Association to enable all students to obtain government-guaranteed loans, increasing the pool of resources available for this purpose by over one billion dollars in its first year of operation, with increasing aid in future years.

I propose to create a Career Education Program funded at \$100 million in fiscal 1972 to assist States and institutions in meeting the additional costs of starting new programs to teach critically-needed skills in community colleges and technical institutes.

I propose to establish a National Foundation for Higher Education to make grants to support excellence, innovation and reform in private and public institutions. In its first year, this would be funded at \$200 million.

There is much to be proud of in our system of higher education. Twenty-five years ago, two Americans in ten of college age went to college; today, nearly five out of ten go on to college; by 1976, we expect seven out of ten to further their education beyond secondary school.

This system teaching seven million students now employs more than half a million instructors and professors and spends approximately \$23 billion a year. In its most visible form, the end result of this system contributes strongly to the highest standard of living on earth, indeed the highest in history. One of the discoveries of economists in recent years is the extraordinary, in truth the dominant, role which investment in human beings plays in economic growth. But the more profound influence of education has been in the shaping of the American democracy and the quality of life of the American people.

The impressive record compiled by a dedicated educational community stands in contrast to some grave shortcomings in our post-secondary educational system in general and to the Federal share of it in particular.

- Federal student loan programs have helped millions to finance higher education; yet the available resources have never been focused on the neediest students.
- The rapidly rising cost of higher education has created serious financial problems for colleges, and especially threatens the stability of private institutions.
- Too many people have fallen prey to the myth that a four-year liberal arts diploma is essential to a full and rewarding life, whereas in fact other forms of post-secondary education—such as a two-year community college or technical training course—are far better suited to the interests of many young people.
- The turmoil on the nation's campuses is a symbol of the urgent need for reform in curriculum, teaching, student participation, discipline and governance in our post-secondary institutions.
- The workings of the credit markets, particularly in periods of tight money, have hampered the ability of students to borrow for their education, even when those loans are guaranteed by the Federal government.
- The Federal involvement in higher education has grown in a random and haphazard manner, failing to produce an agency that can support innovation and reform.

We are entering an era when concern for the quality of American life requires that we organize our programs and our policies in ways that enhance that quality and open opportunities for all.

No element of our national life is more worthy of our attention, our support and our concern than higher education. For no element has greater impact on the careers, the personal growth and the happiness of so many of our citizens. And no element is of greater importance in providing the knowledge and leadership on which the vitality of our democracy and the strength of our economy depends.

This Administration's program for higher education springs from several deep convictions:

- Equal educational opportunity*, which has long been a goal, must now become a reality for every young person in the United States, whatever his economic circumstances.
- Institutional autonomy and academic freedom* should be strengthened by Federal support, never threatened with Federal domination.
- Individual student aid* should be given in ways that fulfill each person's capacity to choose the kind of quality education most suited to him, thereby making institutions more responsive to student needs.
- Support should complement rather than supplant* additional and continuing help from all other sources.
- Diversity must be encouraged*, both between institutions and within each institution.
- Basic reforms* in institutional organization, business management, governance, instruction, and academic programs are long overdue.

STUDENT FINANCIAL AID: GRANTS AND SUBSIDIZED LOANS

Aside from veterans' programs and social security benefits, the Federal government provides aid to students through four large programs: the Educational Opportunity Grants, College Work-Study Grants, National Defense Student Loans and Guaranteed Student Loans. In fiscal 1970 these programs provided an estimated \$577 million in Federal funds to a total of 1.6 million individual students. For fiscal 1971, I have recommended a 10% increase in these programs, to \$633 million, for today's students must not be penalized while the process of reform goes on. But reform is needed.

Although designed to equalize educational opportunity, the programs of the past fail to aid large numbers of low-income students.

With the passage of this legislation, every low-income student entering an accredited college would be eligible for a combination of Federal grants and subsidized loans sufficient to give him the same ability to pay as a student from a family earning \$10,000.

With the passage of this legislation, every qualified student would be able to augment his own resources with Federally-guaranteed loans, but Federal subsidies would be directed to students who need them most.

Under this plan, every student from a family below the \$10,000 income level—nearly 40% of all students presently enrolled—would be eligible for Federal aid. When augmented by earnings, help from parents, market-rate loans or other public or private scholarship aid, this aid would be enough to assure him the education that he seeks.

The Secretary of Health, Education and Welfare would annually determine the formula that would most fairly allocate available Federal resources to qualified low-income students. Because subsidized loans multiply the available resources, and because the lowest-income students would receive more than those from families with incomes near \$10,000, the effect would be a near-doubling of actual assistance available to most students with family incomes below \$7500.

If all eligible students from families with an annual income of \$4,500 had received grants and subsidized loans under the existing student aid programs, they *would have received* an average of \$216 each. Under our proposal, all eligible students from families of \$4,500 annual income would be *guaranteed* a total of \$1300 each in grants and subsidized loans. This would constitute the financing floor; it will be supplemented by earnings, other scholarships and access to unsubsidized loans.

STUDENT FINANCIAL AID: LOANS

The Higher Education Opportunity Act of 1970 would strongly improve the ability of both educational and financial institutions to make student loans. Although most students today are eligible for Guaranteed Student Loans, many cannot obtain them. Because virtually all Guaranteed Loans are made by banks, a student is forced to assemble his financial aid package at two or more institutions—his bank and his college—and colleges are denied the ability to oversee the entire financial aid arrangements of their own students.

In order to provide the necessary liquidity in the student loan credit market, I am asking the Congress to charter a National Student Loan Association. This institution would play substantially the same role in student loans that the Federal National Mortgage Association plays in home loans.

The corporation would raise its initial capital through the sale of stock to foundations, colleges and financial institutions. It would issue its own securities—education bonds—which would be backed by a Federal guarantee. These securities would attract additional funds from sources that are not now participating in the student loan program.

The corporation would be able to buy and sell student loans made by qualified lenders—including colleges as well as financial institutions. This would serve to make more money available for the student loan program, and it would do so at no additional cost to the government.

The Secretary of Health, Education, and Welfare, in consultation with the Secretary of the Treasury, would set an annual ceiling on these transactions. In fiscal 1972, I estimate that the N.S.L.A. would buy up to \$2 billion in student loan paper.

Expanding credit in this manner would make it possible to terminate the payments now made to banks to induce them to make student loans in this tight money market. We would let the interest rates on these loans go to a market rate but the presence of the Federal guarantee would assure that this rate would result in a one to two percent interest reduction for each student. By removing the minimum repayment period we would not only enable students to pay back loans as quickly as they wish but we would make it possible for students to refinance their loans as soon as interest rates are lower.

We would continue to relieve all students of interest payments while they are in college but would defer rather than totally forgive those payments. This would be more than compensated for by extending the maximum repayment period from 10 to 20 years, easing the burden of repaying a student loan until the borrower is well out of school and earning a good income.

The added funds made available from these changes, which should exceed one-half billion dollars by 1975, would be redirected to aid for lower income students.

By increasing the maximum annual individual loan from \$1500 to \$2500, we would enhance the student's ability to avail himself of an education at any institution that will admit him.

Thus, the ability of all students to obtain loans would be increased, and the ability to borrow would be strongly increased for students from low-income families. The financial base of post-secondary education would be correspondingly strengthened. It is significant that this would be done at no cost to the Federal taxpayer.

CAREER EDUCATION

A traditional four-year college program is not suited to everyone. We should come to realize that a traditional diploma is not the exclusive symbol of an educated human being, and that "education" can be defined only in terms of the fulfillment, the enrichment and the wisdom that it brings to an individual. Our young people are not sheep to be regimented by the need for a certain type of status-bearing sheepskin.

Throughout this message, I use the term "college" to define all post-secondary education—including vocational schools, 4-year colleges, junior and community colleges, universities and graduate schools.

Any serious commitment to equal educational opportunity means a commitment to providing the right kind of education for an individual.

- A young person graduating from high school in one of the states that lacks an extensive public junior college system—more commonly and appropriately known as community colleges—today has little opportunity to avail himself of this immensely valuable but economical type of post-secondary education.

- A youth completing 12th grade in a city without an accessible technical institute is now deprived of a chance for many important kinds of training.

- A forty-year-old woman with grown children who wants to return to school on a part-time basis, possibly to prepare for a new and rewarding career of her own, today may find no institution that meets her needs or may lack the means to pay for it.

We must act now to deal with these kinds of needs. Two-year community colleges and technical institutes hold great promise for giving the kind of education which leads to good jobs and also for filling national shortages in critical skill occupations.

Costs for these schools are relatively low, especially since there are few residential construction needs. A dollar spent on community colleges is probably spent as effectively as anywhere in the educational world.

These colleges, moreover, have helped many communities forge a new identity. They serve as a meeting ground for young and old, black and white, rich and poor, farmer and technician. They avoid the isolation, alienation and lack of reality that many young people find in multiversities or campuses far away from their own community.

At the same time, critical manpower shortages exist in the United States in many skilled occupational fields such as police and fire science, environmental technology and medical para-professionals. Community colleges and similar institutions have the potential to provide programs to train persons in these manpower-deficient fields. Special training like this typically costs more than general education and requires outside support.

Accordingly, I have proposed that Congress establish a Career Education Program, to be funded at \$100 million in fiscal 1972.

The purpose of this program is to assist States and colleges in meeting the additional costs of starting career education programs in critical skill areas in community and junior colleges and technical institutes. The Department of Health, Education and Welfare would provide formula grants to the States, to help them meet a large part of the costs of equipping and running such programs, in critical skill areas as defined by the Secretary of Labor.

THE NATIONAL FOUNDATION FOR HIGHER EDUCATION

One of the unique achievements of American higher education in the past century has been the standard of excellence that its leading institutions have set. The most serious threat posed by the present fiscal plight of higher education is the possible loss of that excellence.

But the crisis in higher education at this time is more than simply one of finances. It has to do with the uses to which the resources of higher education are put, as well as to the amount of those resources, and it is past time the Federal government acknowledged its own responsibility for bringing about, through the forms of support it has given and the conditions of that support, a serious distortion of the activities of our centers of academic excellence.

For three decades now the Federal government has been hiring universities to do work it wanted done. In far the greatest measure, this work has been in the national interest, and the nation is in the debt of those universities that have so brilliantly performed it. But the time has come for the Federal government to help academic communities to pursue excellence and reform in fields of their own choosing as well, and by means of their own choice.

Educational excellence includes the State college experimenting with dramatically different courses of study, the community college mounting an outstanding program of technical education, the predominantly black college educating future leaders, the university turning toward new programs in ecology or oceanography, education or public administration.

Educational excellence is intimately bound up with innovation and reform. It is a difficult concept, for two institutions with similar ideas may mysteriously result in one superb educational program and one educational dead end. It is an especially difficult concept for a Federal agency, which is expected to be even-handed in the distribution of its resources to all corners.

And yet, over the past two decades, the National Science Foundation has promoted excellence in American science, and the National Institutes of Health has promoted excellence in American medical research.

Outside of science, however, there is no substantial Federal source for assistance for an institution wishing to experiment or reform. There is a heightened need in American higher education for some source for such support.

To meet this need, I have proposed the creation by Congress of a National Foundation for Higher Education. It would have three principal purposes:

- To provide a source of funds for the support of excellence, new ideas and reform in higher education, which could be given out on the basis of the quality of the institutions and programs concerned.
- To strengthen colleges and universities or courses of instruction that play a uniquely valuable role in American higher education or that are faced with special difficulties.
- To provide an organization concerned, on the highest level, with the development of national policy in higher education.

There is a need to stimulate more efficient and less expensive administration, by better management of financial resources that can reduce capital investment needs, and the use of school facilities year-round. There is also need for better, more useful curricula, while developing a new dimension of adult education.

There is a need to give students far greater opportunities to explore career direction through linking education with the world of work.

There is a need to develop avenues for genuine and responsible student participation in the university. Colleges of today and tomorrow must increase communications and participation between the administration and students, between faculty and students, where they are presently faulty, weak or nonexistent.

The National Foundation for Higher Education would be organized with a semi-autonomous board and director appointed by the President. It would make grants to individual institutions, to States and communities, and to public and private agencies. Its grants would emphasize innovative programs and would be limited to five years each.

A number of small, categorical programs presently located in the Department of Health, Education, and Welfare would be transferred to the Foundation. In addition to the more than \$50 million now being spent in those programs, \$150 million would be requested for the Foundation in fiscal 1972. Beginning with this \$200 million budget, this Foundation would have the capacity to make a major impact on American higher education.

From the earliest times higher education has been a special concern of the national government.

A year ago I asserted two principles which would guide the relations of the Federal government to the students and faculties and institutions of higher education in the nation:

"First, that universities and colleges are places of excellence in which men are judged by achievement and merit in defined areas. . . . Second, that violence or the threat of violence may never be

permitted to influence the actions or judgments of the university community."

I stated then, and I repeat now, that while outside influences, such as the Federal government, can act in such a way as to threaten those principles, there is relatively little they can do to guarantee them. This is a matter not always understood. No one can be forced to be free. If a university community acts in such a way as to intimidate the free expression of opinion on the part of its own members, or free access to university functions, or free movement within the community, no outside force can do much about this. For to intervene to impose freedom, is by definition to suppress it.

For that reason I have repeatedly resisted efforts to attach detailed requirements on such matters as student discipline to programs of higher education. In the first place they won't work, and if they did work they would in that very process destroy what they nominally seek to preserve.

As we enter a new decade, we have a rare opportunity to review and reform the Federal role in post-secondary education. Most of the basic legislation that now defines the Federal role will expire in the next fifteen months. The easy approach would be simply to ask the Congress to extend these old programs. But the need for reform in higher education is so urgent, that I am asking the Congress for a thoroughgoing overhaul of Federal programs in higher education.

The Higher Education Opportunity Act of 1970 would accomplish this purpose. In addition, it would consolidate and modernize a number of other Federal programs that affect higher education. Through it, I propose to systematize and rationalize the Federal government's role in higher education for the first time.

In setting such an ambitious goal, we must also arouse the nation to a new awareness of its cost, and make clear that it must be borne by State, local and private sources as well as by Federal funds. In fiscal year 1972, I anticipate that the new programs authorized by the Higher Education Opportunity Act alone will cost \$400 million more than the Federal government is presently spending for post-secondary education. If our goal is to be attained, there must be comparable growth in the investment of other public and private agencies.

The time has come for a renewed national commitment to post-secondary education and especially to its reform and revitalization. We must join with our creative and demanding young people to build a system of higher education worthy of the ideals of the people in it.

RICHARD NIXON.

THE WHITE HOUSE, March 19, 1970.

