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MEMO TO: Dr. Hughes
FROM: Sara Finn
DATE: December 28, 1981

I would like to set up a "backgrounder" with you and the editorial board at the Union re: the attached letter from NAICU.

The session would not be reported such as a Q & A, but give you the opportunity of filling them in on independent higher education from a national viewpoint. Also a session on Ch. 10 newsmakers with John Beatty.

Enclosure
December 23, 1981

Dear Colleague,

The enclosed series of articles from the Philadelphia Bulletin covers in a fairly comprehensive fashion the twin phenomena of rising college costs and declining federal assistance.

We share it with you not only for your information but as a source of encouragement for you to make known your administration's views on these issues to the local media, and to your campus community.

The higher education associations in Washington will be mounting a major collaborative effort to combat further massive reductions being contemplated for higher education. NAICU will play a key role in that undertaking. And we shall be keeping you informed of developments as -- or before -- they occur.

But in the meantime, we can benefit from as many preemptive actions as we can muster with the information that's available. These could include forums on campus, meetings with newspaper editorial boards, breakfast or luncheon sessions with reporters/education writers, radio and television appearances, news conferences, and data sheets on the likely impact of the cuts and proposed cuts on your college or university.

Should you initiate any such activity, we would be grateful if you'd share the results with us.

Sincere best wishes
and happy holidays,

William A. McNamara
Communications Associate
THE HIGH COST OF COLLEGE/Soaring tuition creates a campus crisis

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again a higher education has become a privilege that fewer people can afford. In a four-part series beginning today, The Bulletin examines the money crisis on campus.

Students face doubled costs, tough choices

By SAM W. PRESSLEY
Of The Bulletin Staff

Sixteen years ago, Community College of Philadelphia opened its doors, charging full-time students a bargain-basement price of $330 per year to enter. “We’re keeping the cost of quality education within everybody’s reach,” became its motto.

But like every other business hit hard by inflation, the two-year school has been forced to change its tune. Uncertain about its future ability to offer its product — a college education — cheaply, the school was almost apologetic in its July announcement of a tuition increase.

Escalating operating costs, it said, were to blame for the rate hike.

At Community, tuition for full-time students rose from $700 to $800 per year — still eight times less than what it costs to attend most private four-year colleges.

But with each new rise in their prices, even traditionally low-cost schools such as the Community College of Philadelphia now must worry about placing a higher education beyond the reach of many students.

Overall, the price of a college education — tuition, room and board, books, supplies, personal expenses and transportation costs — has doubled in the last decade. And this year, college costs jumped a record 14 percent, according to the College Board.

For both students and colleges, the steeper rates are ominous. They come at a time when the Federal Government is cutting back some $2 billion in student aid — about one-sixth of its budget geared to helping students pay those higher prices.

An estimated half of the 12 million students enrolled this year at the nation’s 3,000 college campuses depend on federal and state aid to help finance their college education.

College educators predict that in the years ahead a combination of rising costs and reduced help to meet those bills will force increasing numbers of students to:

- drop out of school;
- postpone or interrupt their college education to earn money to pay for school;
- limit their education to a few courses aimed at improving specific job skills;
- switch their status from full to part time to enable them to stretch their payments over a longer period of time;
- elect to attend a local college and live at home to save on residential costs;

Faced with rapidly rising costs, many students already are being forced to make adjustments in order to continue their college education.

When Earlham College recently raised its annual charges for tuition and other expenses from $6,800 to $7,800 — a 13 percent increase — Tracy Coleman’s parents had enough. The Colemans pulled their son out of the small, four-year private school in Richmond, Ind., to save $1,800 in room-and-board costs.

Coleman, 21, a business major, currently commutes by public transportation from his West Philadelphia home to another small, private school — Beaver College in Glenside — to complete his senior year.

“We just ran out of cash (to pay for the increased costs at Earlham),” explained Coleman, who still depends on financial aid from Beaver to meet his $4,970 annual tuition bill.

Nationally, costs at four-year colleges have doubled since 1972 and are up 13 percent to 14 percent for the current 1981-82 school year, reports the College Board. And the American Council on Education predicts that costs will climb next year at the hefty pace of 8 to 12 percent.

Costs for tuition, books, room and board and other expenses average $5,835 at private four-year colleges. But at more than a dozen major private colleges around the country, including the University of Pennsylvania, Bryn Mawr, Haverford, Swarthmore and Princeton, annual costs now top $10,000.
Attending a public four-year college is cheaper, averaging $3,673. But tuition at public colleges is higher for out-of-state students.

Students at two-year colleges around the country also faced big percentage increases, although tuition levels at these schools are generally lower to begin with. Their expenses jumped anywhere from 3.4 percent to 22 percent.

The cost of attending public two-year schools now averages $3,230 a year and $5,604 at private two-year schools. At tuition-cheap nonresidential community colleges, annual costs in the Philadelphia area ranged from $672 at Bucks County Community College to $330 at Montgomery County Community College.

"Invariably, colleges raise their fees to students to help cope with rising inflation. Your major institutions (including Penn, Harvard and Yale) know their product is so desirable they can jack up the prices and still expect to have every seat filled," said William Kautz, acting Pennsylvania commissioner of higher education.

"Students selecting a college in the future will be forced to look more critically at the cost rather than simply the quality of the campus," Kautz said.

Educators fear that the federal cuts and restrictions are the beginning of a principle developed over the past three decades in this country and reinforced by a series of acts of Congress. That the Federal Government has an obligation to help economically disadvantaged students attend college.

For private colleges, which are heavily dependent on income derived from tuition to pay operating costs, the federal cuts that took effect Oct 1 are especially critical.

Cut off from the loans and grants they need to help them pay the higher bills at private schools, a number of students will shift to low-cost public colleges, according to John D. Phillips, president of the National Association of Independent Colleges and Universities.

And because of a decline in the national birthrate, the competition among colleges in the years ahead for the shrinking 18- to 23-year-old college-age population, as well as for adults, should intensify.

Total enrollments were up slightly this fall at the nation's campuses, but private colleges generally suffered a 2 percent drop in their enrollment of freshman students, reports the 850-member independent-college lobbying association.

At Beaver, freshmen enrollment rose from 193 a year ago to 207 — a 7 percent increase in first-year students.

Meanwhile, Earlham College's freshman enrollment went the other way. New student totals dropped from 312 a year ago to 291 — a loss of 7 percent.

Within the next five years, the association warns, the trend away from private colleges will result in a reduction in new enrollment at these schools of between 15 to 20 percent. Especially threatened will be the smaller private colleges — such as Beaver and Earlham — that enroll a few thousand students or less.

### Comparative tuition at area colleges

Following are 1980-81 and 1981-82 undergraduate charges for Philadelphia area colleges and universities. Figures don't include costs of books, supplies and personal needs, which increase the annual expense about another $1,000.

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*Figures do not include costs of books, supplies and personal needs, which increase the annual expense about another $1,000.*

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*Note: Figures do not include costs of books, supplies and personal needs, which increase the annual expense about another $1,000.*
Meanwhile, this new "student movement" toward publicly funded colleges will place an added tax burden on state and local governments, which are already struggling to keep the lid on soaring costs of welfare, employees' salaries and secondary education, Phillips said.

New Jersey, for example, with half of its 60 colleges being public institutions, increased its student subsidies from $42 million a year ago to $48.5 million this year to help them meet increased costs.

But more typically, many states instead have warned students not to expect them to fill the gap in aid left by the Federal Government. Delaware, for example, did not significantly increase its $2.3-million student appropriation over last year.

In Pennsylvania, the state's Higher Education Assistance Agency (PHEAA) received the same $74.2 million budget this year as it did last. But because more students this year applied for and received grants, Kenneth Reeher, PHEAA's executive director, said the agency was forced to lower the average grant by 10.2 percent, to $713.

Also, thousands of students each year are thrown off the PHEAA rolls when their families' income exceeds the $25,000 limit.

Reeher added that cuts in federal aid programs have put pressure on colleges to dip into their own limited funds to help students pay for school.

Nevertheless, since "more students are having to get by with less aid," many financial-assistance packages — grants, loans, and subsidized campus jobs — will continue to fall short of students' actual financial needs, according to Reeher and other educators.

At Villanova University, cuts in state and federal aid reduced the student assistance budget from $3 million a year ago to this year's $2.2 million, said W. Arthur Switzer, the university's associate director of financial aid.

As a result, Switzer said, students needing to meet the university's annual $8,000 bill for tuition, room and board and other expenses, were awarded grants, loans and subsidized campus jobs worth about $5,500 — or, $2,500 less than their actual financial need.

Among the biggest losers in this era of reduced financial aid will be low-income students seeking admission to high-cost private colleges, said PHEAA's Reeher.

Reeher fears that in the future, colleges faced with limited financial aid will look closer at a student's ability to pay his bill before offering him admission.

TOMORROW: How middle- and low-income college students will suffer from slashes in federal aid.
THE HIGH COST OF COLLEGE/Soaring tuition creates a campus crisis

New U.S. student-aid rules to deny loans to 1 million mid-income kids

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again, a higher education has become a privilege that fewer and fewer people can afford. In this four-part series, The Bulletin examines the money crisis on campus and its impact on today's students.

By SAM W. PRESSLEY
Of The Bulletin Staff

Michael Brucker majors in mechanical engineering at Villanova University.

But during almost three years spent at the private campus in Delaware County, Brucker, 20, also received a lesson in financing the rising cost of his education.

For example, this school year the junior from Meriden, Conn., combined his summer earnings, plus $800 from a subsidized campus job and an additional $1,100 from his parents to pay college costs of $6,200 — including $4,362 in tuition and an $80 a month off-campus apartment.

Still short, Brucker obtained a federally backed, low-interest $2,000 bank loan to close the gap.

But for his senior year, Brucker might have to meet his annual expenses without the benefit of money from the federal Guaranteed Student Loan (GSL) program that he's banked on since his freshman year.

The reason: The U.S. Department of Education imposed stringent requirements on these loans to middle-income families on Oct. 1 in a move to save federal dollars. Brucker's parents now will have to pass a tough income test for him to qualify for the loan again.

But since his parents annually earn $42,000 — or

$12,000 more than the program now allows for eligibility — Brucker expects to flunk the eligibility test.

"I think that I'm going to be shafted," Brucker said.

He is not alone in his fears.

As part of its efforts to trim the federal budget, the Reagan Administration chopped about $2 billion from the student-aid budget, which is estimated at between $12 billion to $15 billion, of which $8 billion is GSL money.

The GSL rule changes will knock one in every four borrowers — about 1 million middle-class students — from the loan program, according to the American Council on Education.

Meanwhile, nearly 10 percent of the 2.7 million low-income students currently receiving so-called Pell Grants will be dropped because of stiffer income eligibility requirements. The Pell Grants are the Federal Government's largest student-grant program, geared primarily toward the poor. Other forms of financial aid typically available to students include federally funded jobs, which also are affected by the cuts.

Frightened by warnings about the rule changes, parents and students flooded financial-aid offices in record numbers this summer in a bid to beat the Oct. 1 deadline and to borrow money under the old rules.

The net result was that students generally were unaffected by the restrictions and reductions this year.

But financing next school year's bill will be a different story.

"Student aid programs are being seriously crippled and emasculated to the point that the clock is being turned back in this country to an era when only the rich could afford a college education," said Robert H. Atwell, vice president of the education council. "And I find that totally unacceptable."

The Reagan Administration says the cuts and restrictions are necessary to "restore the focus" of these programs "on the truly needy." Furthermore, the Administration argues that the cuts will "emphasize the traditional role" of the family and the student in contributing to meeting higher education costs rather than looking to Washington for help.

Said Budget Director David A. Stockman: "It seems to me that if people want to go to college bad (sic) enough, then there is opportunity and responsibility on their part to finance their way through the best they can."

Critics contend that while this view is historically true, it is no longer valid at a time when annual costs at more than a dozen private colleges already top $10,000.

In 1975 — a year before Brucker started at Villanova — the cries of middle-income families being flattened by rising college costs were heard when Congress liberalized a major program for financing a college education, the Guaranteed Student Loan program.

Prior to the passage of the 1978 Middle Income Act, which made the federally backed loans available to all college students regardless of family income, critics of rising college prices said they feared that middle-income families would be squeezed out of higher education.

And if colleges did price themselves out of the middle-income market, the critics — educators, legislators and parents — predicted that the only students left on campus would be the wealthy and those heavily dependent upon financial aid, especially bank loans.

In effect, the loans afforded middle-income students the "freedom of choice" to attend high-cost private schools.

Now, with the Oct. 1 restrictions blocking access to federal grants and loans and with the Reagan Administration proposing even deeper cuts and stiffer student-aid eligibility rules to be effective after June 30, Atwell and other educators once again fear that middle-income students will be penalized the most.

As of Oct. 1, the federally backed loans became available only to students and their parents, who together earn less than $30,000 of adjusted gross income (arrived at after deducting business and moving expenses, alimony payments, disability income, and sick pay).

If the family's adjusted gross income is over $30,000, then applicants must pass a needs test to qualify.
The GSL loan was especially attractive because of its 7 percent interest rate. To cool the demand for GSLs, the Federal Government increased the interest rate to 9 percent, still far below interest rates for most other types of loans. Also, loan payments don't become due until six months after the students leave college.

Now the Reagan Administration is proposing that students start paying the interest on these loans before they graduate.

A federal "net" expected to catch dropouts from the GSL program is the Auxiliary Loans to Assist Students (ALAS) program. Formerly called the Parents Loan Program, it has been expanded to attract graduate and independent students as potential borrowers, regardless of need.

But ALAS loans aren't nearly so attractive to borrowers. Repayments begin 60 days after students receive the loans. Also, interest on these loans have risen from 9 to 14 percent.

Financial aid officials say those who might suffer the most under a reduced GSL program are middle-class students whose families earn $30,000 to $45,000 and who attend public colleges and universities where costs are comparatively low. Jeannie Ackerly, a middle-income junior attending Temple, a low-cost public university, has seen her tuition rates rise steadily during the 2 1/2 years she has spent at Temple. Yet Temple advised her that her parents made too much money for her to qualify for aid, other than GSL loans, which were available to students regardless of income until Oct. 1.

The university determined that the amount she and her parents should contribute to her college education was more than her annual expenses: $3,910, which included a $2,382 tuition bill. Wary of debts, she ignored the GSL loans.

According to financial aid rules, if this same student attended any other college, the amount she would have to contribute to her costs would remain the same.

But the thousands of dollars difference in school costs, made up through loans, could amount to a huge debt over four years. So she remains at Temple, a public university, with its lower rates.

Curiously, under the generous needs standards set by the U.S. Education Department, some children attending high-cost private colleges and whose families earn even $100,000 a year will still qualify for the low-interest loans.

Here's how: If two parents earning $100,000 have three children enrolled at high-cost private colleges, each child would qualify for a $1,000 loan, said the College Board.

Costs this year average $3,873 at public four-year schools and $6,883 at private ones, according to the College Board.

For the future, educators foresee public college students staying put and scrambling to pay their costs rather than transferring to private colleges where they might be eligible for the GSL loans.

Also, these educators predict that new students may opt to save money by spending their first two years at the cheaper community colleges, then transferring to four-year institutions.

Or, they may follow a growing trend among college students and file for financial assistance as independents to qualify for grants and federal loans geared to the needy.

Three years ago, 20-year-old Mike Bouve, Brucker's classmate at Villanova, moved out of his parents' home to qualify for full aid as an independent student.

"I miss being at home, but it (moving out) is the only way I can get through college and get my bills paid," said Bouve, a junior from Avoca, Pa., near Scranton. Despite grants, he still accumulated a loan debt of $7,000.

Low-income students, who normally could depend on financial assistance, are also feeling the pinch with the decline in grant subsidies.

Within the past year, low-income students have seen the amount of aid they could receive per year from the Pell Grants reduced by $80 a year. The maximum grant allowable to even the poorest student dropped from $1,750 to $1,670.

For the current 1981-82 school year, an estimated 2.7 million needy students received an average of $906 under the $2.4 billion grant program.

However, under a revised eligibility scale issued by the U.S. education department, an estimated 250,000 of the 2.7 million currently receiving the grants will be dropped from the rolls next school year.

Last Oct. 1, interest rates on National Direct Student Loans, which are geared to low-income students, were increased from 4 to 5 percent. And when Congress chopped 20 percent from the budget of the program, many colleges were forced to limit these loans to about $1,000 per student to help more students.

At Villanova, for example, National Direct Student Loans averaged $800.
But at Lincoln University, a small, primarily black college in rural Chester County, financial aid director Clifton F. Knight is concerned that the school's total enrollment of some 1,000 students was barred from borrowing in the program this year and probably be will shut out again next year.

The reason: To remain in the National Direct Student Loans program, the Federal Government demands that a school's default rate of student borrowers can't exceed 10 percent. The default rate for former Lincoln student borrowers has hit 46.7 percent, Knight moaned.

These rock-bottom interest loans are sorely missed at the school, where 90 percent of the students must rely on financial aid, he said. Last year, Lincoln students borrowed $58,000 worth of such loans.

TOMORROW: How colleges are looking to efficiency to cut costs.
THE HIGH COST OF COLLEGE/Soaring tuition creates a campus crisis

As costs overwhelm students, inflation hurts colleges too

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again, a higher education has become a privilege that fewer and fewer people can afford. In the third of a four-part series, The Bulletin continues its examination of the money crisis on campus and its impact on today's students.

By SAM W. PRESSLEY
Of The Bulletin Staff

At first blush, it sounded like a good idea.
To save money on fuel oil, Delaware State College last year decided to turn off the campus heating system over the Christmas vacation. But the plan backfired when a cold wave broke water pipes in five buildings, causing $20,000 in damage and embarrassment to steamed college officials.

Meanwhile, leaky roofs and pipes and an inadequate electrical system plague Trenton State College. But college officials say they can't afford the estimated $1 million it would take to upgrade the deteriorating physical plant.

At Villanova University, over the protests of students and alumni, school officials last year tackled a money crunch by dropping an 87-year-old football program.
And, citing financial crises, public colleges in New Jersey, Michigan, Oregon and Washington are shuttering academic tradition by dismissing tenured professors.

In the last decade, inflation and high energy costs have led to a doubling of the cost of college.

While parents and students are bemoaning the spiraling expenses, nonprofit higher-education institutions contend that, like private companies, they are being forced to pass along increased costs to their customers — students — in the form of higher tuition bills.

They are also being forced to:
• defer maintenance on buildings.
• create energy-saving programs.
• freeze hiring or limit salary increases.
• pare shopping lists for the purchase of new equipment and educational materials.

Colleges also are stepping up fund-raising campaigns and diversifying their curricula to attract older students as the traditional college-age population shrinks.

Despite cost-cutting and income-producing efforts, however, inflation continues to erode the colleges' economic stability and threatens the quality of academic programs, according to the Association of Physical Plant Administrators of Universities and Colleges.

"No student wants to stay at a campus that's less comfortable than what he's used to back home. Increasingly, it's going to become difficult for financially strapped colleges to survive without first cutting into their education budget to keep from going under," said Paul T. Knapp, executive director of the Washington-based association.

Already, corporations hiring science graduates are complaining that some of their new employees were trained with outdated, poor-quality school laboratory equipment, Knapp said.

To help bail themselves out of a deepening financial hole, colleges often turn to private contributors. But donors are less willing to give money to pay for a new roof or boiler than for an entire building, Knapp said.

"It's not a glamorous thing to say that you gave money to a college to buy a roof or install a boiler with your nameplate attached. But, hey, it sounds great to say you have a campus building named after you," he said.

Officials at public and community colleges charge that their financial woes are compounded by the fact that funding from federal, state and municipal governments is either being cut or barely keeping pace with their economic needs.

Trenton State, for example, a publicly supported college this year requested an additional $335,000 from New Jersey to upgrade its science and laboratory equipment, said Don Uyhazi, assistant director to the college's vice president for administration and finance. But the New Jersey Department of Education has recommended $200,000.

Sighed Uyhazi: "If and when we get the money ($200,000), we'll just have to pick and choose from our shopping list what things are vital."

Cheyney State College charges that years of being shortchanged by Harrisburg threatens its ability to operate.

"We have always gotten less than what we consider to be our fair share of state aid," said Cheyney's acting president, Dr. Luther Burse. "But we have a mission to perform (educating predominantly black students), and we will continue on that course."

Plant and academic conditions at the small campus in Delaware County have deteriorated to the point that Cheyney's application for accreditation renewal is being held up by the Commission on Higher Education of the Middle States Association of Colleges and Schools, The Bulletin has learned.

In a one report, the commission required Cheyney to submit a proposal for strengthening educational programs, correcting faculty over-staffing in departments showing declining student enrollment, ending budget deficits by better fiscal controls, and upgrading its physical plant, especially its rundown dormitories.

Limited dormitory space, for example, this year cost Cheyney 200 students, whose requests to live on campus were turned down, the col-
Among the threatened schools are Glassboro State College in Gloucester County and Trenton State. Rutgers, the state university, is unaffected by the force-reduction regulations.

State education officials say that expected declines in college enrollments will require fewer teachers.

In the meantime, professors at New Jersey's 17 two-year public community colleges are challenging the layoffs of 11 tenured faculty members at Atlantic Community College and 13 others at Essex County College last year. The professors claim that the colleges failed to prove that worsening finances justified the layoffs.

But while most colleges are managing to avoid such harsh cost-cutting measures, the twin problems of deferring maintenance and delaying the purchase of new equipment continue to take their toll.

For example, educators see harder times ahead for the nation's colleges.

University is considering spending $250,000 to install a computer to monitor and control its heating and air-conditioning systems. Trenton State has already spent $900,000 on its computerized monitor.

To slow the rise of its energy bills, which have gone from $260,000 last year to this year's projected $510,000, Delaware State College is spending $75,000 to install small auxiliary boilers in some buildings to enable the shutdown of larger boilers that require more fuel.

Following a trend, St. Joseph's
Mergings, closings and sharing predicted for survival of fittest

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again, a higher education has become a privilege that fewer and fewer people can afford.

The Bulletin today concludes a four part series on the money crisis on campus and its impact on today's students.

By SAM W. PRESSLEY
Of The Bulletin Staff

Colleges and universities face tough challenges and decisions ahead.

And only the strongest and fittest are likely to survive in the next decade.

Educators, assessing the impact of inflation, tight budgets, rising energy costs, and declining enrollments on higher education, predict that colleges and universities will face:

- Mergings and closings, especially of small, private schools.
- Difficulties maintaining academic quality.
- Sharing of graduate and undergraduate faculties within universities.
- Part-time students outnumbering full timers.
- A change in college population, with as many students over 21 as under 21.
- The loss to private industry of top professors and administrators whose salaries fail to keep pace with inflation.
- Increased competition from cable television and videotapes that will revolutionize the way students traditionally receive a higher education and cut into colleges' enrollments.

But while some institutions plan and fret over their strategies for coping with bad times, for many colleges squeezed by tight budgets and declining enrollments, advice on how to survive comes too late.

In the 1970s, 141 private colleges and universities closed — 57 four-year institutions, 45 two-year ones, and 39 specialized schools, according to the National Institute of Independent Colleges and Universities.

In addition, the institute — the research arm of the National Association of Independent Colleges and Universities — said 47 colleges merged and 19 others shifted from private to public control.

Of the closings, 10 occurred in New Jersey and five in Pennsylvania. No college closed in Delaware during the 1970s, said Nancy A. Carter, a researcher, who helped to prepare the survey for the institute.

Even though the Washington-based institute drew no conclusions from its study, it noted that those that did close their doors shared the same general characteristics.

Typically, most of the schools that closed were small — with 87 percent enrolling fewer than 500 students. Fifty-five percent of the schools were church-related and 62 percent were coeducational.

"Unfortunately, most colleges either keep hiding their problems or they fail to recognize them as serious," said William Kautz, acting Pennsylvania commissioner of higher education.

Like some other education departments around the country, the Pennsylvania Department of Education recently organized a Bureau of Academic Programs to help colleges better manage their campuses and to recognize danger signals threatening their survival.

But despite the often dire predictions, some educators and college officials remain optimistic for the future of their industry and don't buy the argument of academic doomsayers.

"I have survived 50 years of higher education. And thinking back on the Great Depression era (of the 1930s) and World War II when we were targeted for folding and the slump in the 1950s, I must say that we have proven to be resilient. We have faced worse times than we are likely to face in this decade," contended Dr. Allen T. Bonnell, president of Community College of Philadelphia.

Bonnell added, "Things may be tough. But we will just have to be very, very wise and judicious in our expenses and how we operate. That is my instinct."

But even Bonnell admits, where there is smoke there is also fire.
Demographic and economic trends are very real and are clearly having an impact on the nation's colleges and universities, educators say.

First, tuition rates, which have doubled in the last decade, mixed with reductions in federal and state funding for student aid, spell trouble for future college enrollments.

A major problem is simply the number of available students.

Due to a bottoming out of the national birthrate, the 18-year-old population will decline 25 percent over the next few years and will become an "endangered species," according to Robert H. Atwell, vice president of the American Council on Education.

States experiencing enrollment increases are likely to be Sunbelt colleges in the South and Southwest, where the general population is shifting to share in these states' better economic times, reported the Carnegie Council on Policy Studies in Higher Education.

Meanwhile, northeastern schools are likely to lose students.

Surveys conducted for Pennsylvania schools, for example, show that the traditional 17-to 23-year-old college age population market in the state will decline 17 percent between 1984 and 1989.

The survey, entitled "Pennsylvania Enrollment Planning Project," was commissioned by the state's Department of Education to aid colleges in their recruitment plans.

To fill the gap left by traditional students, colleges will be competing heavily to enroll the "new student majority" — adults.

The age of undergraduate students has inched upward in recent years to the point where the average is now 25, said the American Council on Education.

Currently, part timers make up 42 percent and women compose 51 percent of the total enrollment at the nation's 3,000 campuses, said Dr. J. Ernest Mickler, assistant to the vice president for planning and operations at the University of Alabama, who annually surveys national enrollments.

This fall, colleges opened their doors to a pleasant surprise. Total college enrollments were up 1.6 percent, to 12.3 million students.

Accounting for most of the growth is the enrollment at community colleges, and an increase in part-time students.

The modest increase comes at a time when the number of 18-year-olds in the nation's population is on the decline.

But demographers and wary educators say the modest increase in enrollment is, ironically, perhaps, further proof that future college enrollments may generally be on the skids.

In bad economic times, people unable to find jobs and students already in school historically look to colleges to improve their economic status, said James A. Ream, executive director of the Pennsylvania Association of Colleges and Universities.

But when the economy remains sour and students see that even the list of jobless college graduates is growing, people become hesitant about spending money for college.

George Washington University professor Amitai Etzioni, a former White House adviser, predicts that it will take at least 15 years for the United States to pull itself out of the current economic slump.

Such an economic downturn, the sociologist says, may require college presidents to do more than trim spending but also restructure their institutions. For example, he said, graduate and professional schools at a college may share faculties, with a resulting savings in salaries.

According to enrollment expert Dr. Mickler, demographers may have to revise "upward" their projections about declining student enrollment.

"They (demographers) must now weigh the negative impact of the reduction in federal support for student aid," said Dr. Mickler, referring to cuts of $2 billion in federal loan and grant programs this year.

"The impact of modified student financial aid will have a far greater impact on college enrollment next fall than the demographers have projected."

Within the next five years a shift of students from private schools to low-cost public colleges will result in a reduction in new enrollment at private colleges of between 15 to 20 percent, according to the National Association of Independent Colleges and Universities.

One optimist, however, is Temple University President Marvin Wachman, who speaks from his vantage point of three decades in academia, including roles as college professor, administrator and president.

"There are just too many people out there who will be the first generation of their families to go to college. The great majority of people still look to colleges for upward mobility," said Dr. Wachman, a self-admitted "eternal optimist."

Wachman added, "Colleges are still needed to turn out future leaders and train people for an increasingly technological society. Colleges pump millions and millions of dollars each year into the economy. The next four to five years for us will be difficult, sure. But we will bounce back. We will."

After years of paying little or no attention to the time when their fortunes would turn, colleges, Wachman said, "must learn, are learning," sometimes painfully, to cope with their latest, and perhaps greatest crisis.

And, Wachman said, colleges can only plan and hope that they — as private companies — will pass through these difficult times with their product — a higher education — still intact, attractive to potential buyers, and within the financial reach of most consumers.
Funding source is key to tuition rates

College tuition rates can vary from $672 at Bucks County Community College to $2,382 at Temple University, to as much as $7,230 at Haverford College.

Why the disparities?

The majority of private colleges depend on getting 65 to 70 percent of their operating revenue from tuition, according to the National Center for Education Statistics in the U.S. Office of Education.

But at publicly supported institutions, which are funded primarily by state and county government, tuition covers only about 20 percent of operating costs.

Bucks and other two-year community colleges, for example, with two-thirds of their operating budgets provided by state and municipal governments, can afford to offer education to students at prices far below private colleges.

As a state-related institution, Temple University gets one-third of its budget paid for by Harrisburg.

Private institutions that enjoy national reputations like the Ivy League schools can charge top prices without risking a decline in applicants because their prestigious degrees are highly sought after, regardless of the price.

Colleges clobbered by soaring energy bills, employees' salaries, and plant maintenance costs routinely pass the increases on to gripping students and their families in the form of tuition. But at community colleges, where a larger percentage of the cost is picked up by government, inflation has had a somewhat smaller impact on students' bills.

College officials advise students shopping around for a school to select a college for educational reasons, then apply for financial aid—a grant, loan or subsidized work-study job—to make up the difference between what it costs and what they can afford to contribute.

Students' need for financial aid generally isn't a factor in their being accepted or rejected for admission.

—By Sam W. Pressley

About the author

Sam W. Pressley, 33, The Bulletin's higher education writer, was graduated from Temple University in 1971 with a bachelor's degree in journalism.

He has received several awards for his higher education reporting, including an "Outstanding High School Graduate" award last June from the Citizens Committee on Public Education in Philadelphia.

For his reporting on the decrease in the percentage of blacks and minorities in the nation's law and medical schools, he was named runner-up in the 1981 Higher Education Reporting Award Program, sponsored by the College and University Public Relations Association of Pennsylvania.

Before joining The Bulletin in 1973, Pressley was editorial assistant at Business Information Digest, a Philadelphia newsletter, and at Iron Age, a Chilton Co. industrial magazine.

Sam W. Pressley studies college scene.
Corporate Charity: How Much Is Enough?

Some See A Duty To Make Up For Federal Cutbacks, But Others Don’t

NEW YORK - Corporate America, under pressure from President Reagan to step up charitable contributions as the government cuts its own spending, is grappling with just how deeply it should be involved in philanthropy.

For years, business leaders across the country have supported organizations that they believed indirectly benefited their companies, shareholders, employees and customers.

“Our job is more than making a product,” said John Bacon, director of corporate contributions at R.J. Reynolds Industries, one of the leading corporate gift-givers. There has been a growing realization, he added, that business was “the last pool of substantial resources” for philanthropy.

Indeed, many companies are willing to join forces in support of a single project, said Richard F. Nebbitt, the Exxon Corp.’s coordinator of contributions. He recently invited other executives to discuss a combined effort to aid the American Museum of Natural History.

But some of the same corporate leaders who support gift-giving are not prepared to endorse the broader philosophy of Kenneth N. Dayton, chairman of the executive committee of the Dayton-Hudson Corp. He argued that “the business of business is serving society, not just making money.”

Businessmen such as Ben M. Heineman, president of Northwest Industries, a Chicago-based conglomerate, cautioned that companies had a strong responsibility to shareholders.

“We should never forget we are giving away other people’s money, that vicarious generosity can be corrupting and become an ego trip for some company official,” he said.

“In the absence of genuine, direct benefit to our stockholders, we think we should restrict the level of giving. But it is Christmas, and I don’t want to sound like Scrooge, so I have to add that we’ve been increasing giving each year.”

This uneasiness among corporate contributors is understandable, said Professor Barry Karl, a historian from the University of Chicago who has been an observer of the philanthropic community for 20 years.

“Corporate philanthropy has been around for decades,” he said. “But company giving as we see it today is a relatively new practice, and the upsurge in contributions is a development only of the last five years.”

Corporate giving inched ahead of foundation giving only in 1979, and last year accounted for $2.6 billion, a record for the business sector but still less than 6 percent of all philanthropy and trailing far behind individual contributions, according to the American Association of Fund-Raising Counsel.

Karl regards corporate giving as “still in its infancy, still looking around to see what it wants to do.” With the federal budget cuts and non-profit organizations searching for alternative funds, corporate philanthropy suddenly found itself in the spotlight, he said.

“I think companies are appropriately confused,” Karl said. “It was never their intention, as they increased giving, that they would ever become mini-governments, doing what government agencies were doing.”

Corporate giving in this country began in the late 19th century, when railroad companies pushing West, and needing decent housing for their workers, helped to build YMCA hostels. During World War I, companies became substantial contributors to community war chests and provided $17.9 million to the Red Cross in 1917, the earliest instance of such major philanthropy from the business sector.

Charitable giving expanded significantly with a change in the Internal Revenue Code in 1935 that permitted companies to deduct up to 5 percent of taxable income for such gifts; this limit was recently raised to 10 percent.

A series of court decisions also encouraged greater giving, one of them a 1952 landmark case holding that it was the right of corporations — more than that, a “solemn duty” — to make contributions, in this case, for higher education.

Another influence was the energetic drive waged by Lawrence A. Wien, a New York lawyer, who since 1979 has “shamed” scores of companies into increasing their philanthropy to support non-profit organizations. His strategy involved buying 100 shares in each company, filing stockholder proposals to increase giving and keeping up the pressure until he achieved results.

Gift-giving also has been accelerated, a number of busi-

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Corporate Charity: Just How Much Giving Is Enough?

(Continued from A-27)

ness leaders maintain, by such developments as the nation-wide campaign initiated by Dayton-Hudson. The Minneapolis-based department store chain committed itself 35 years ago to contributing 5 percent of its taxable in-
come to charitable causes, and has helped establish 2
percent and 5 percent "clubs" in more than a dozen cities.
But many corporate executives who support charitable
causes oppose the idea of setting percentage goals. The Business Roundtable, which represents the country's top
corporate leaders, started a middle course in a policy
statement earlier this year. It urged the business commu-
nity to be more generous in its giving, but declined to
offer specific goals.

This was followed by a more recent statement drawn
up by a Business Roundtable study group on corporate
responsibility, which concluded that there was wide-
spread public misunderstanding about corporate deci-
dion-making.

The statement by the group, which was led by Andrew
C. Sigler, chairman of the Champion International Corp.,
seemed a rebuff of the traditional outlook of busi-
ness: that its first responsibility was to provide quality
goods and services at fair prices, thereby earning profits,
attracting investment, offering job opportunities and
helping the economy.

"However, it went on to advocate that companies "rise
above the bottom line" and consider the impact of what
they do not only on shareholders, but on society, because
public confidence "will depend upon the way corporations
respond to the public's new and expanded expectations
regarding business.

While struggling with growing demands, businessmen
also are being confronted by shareholders who are less
then enthusiastic about corporate philanthropy.

Lewis D. Gilbert, who, together with his brother, John,
owns stock in 1,500 companies, opposes corporate giving
unless there is some return. He has been pursuing this
position with companies for 50 years.

As he sees it, companies have obligations, for example,
to contribute to hospitals in cities where they have plants,
but he added, "I do not believe in contributing to some
opera company just so an official can get a box. Let him
use his own money for that."

Despite the confusion over their role in gift-giving,
business leaders demonstrate wide-ranging choices of
where they choose to spend their philanthropic dollars.

Justin Dart, executive committee chairman of Dart &
Kraft Inc. and a staunch supporter of Mr. Bougan's eco-

demic policies, maintained that his first priority in corpo-
rate giving was to "support those things that help the
American people as to what they are up against."

Together with William E. Simon, former secretary of
the Treasury, he set up Enterprise America, a Los Ange-
les-based communications center that distributes posters
and leaflets promoting the administration's economic pol-

Rather than determine how Berkshire Hathaway Inc.
should select recipients for its philanthropy, Warren E.
Buffett, chairman, invited each of the company's 1,500
owners to name a charity by mail ballot, saying,
"Berkshire will write the check." Each share entitled the
holder to designate $2 for a charity. The company intends
to give away $2 million this year. Buffett said it was
probably the only such undertaking in the corporate com-

Most large corporations, however, follow more con-

tional approaches, concentrating contributions to United
Way campaigns because funds collected are spent locally
and business leaders prefer to see charitable dollars used
in the communities where they have their plants.

Gifts to colleges, often by matching employees' gifts,
also have been increasing, and 850 companies today have
such programs, with at least 10 matching funds on a 3-to-1
basis. Special interests are reflected in the grants to
colleges. The General Foods Corp. leans toward support
for education in nutrition and the food sciences, while the
General Electric Co. favors engineering because it pro-
vides a talent pool for the future.

Enhancing the corporation's "image" continues to be an
element in the willingness of corporations to assist public
television, support museums and improve the appearance
of parks.

The Mobil Corp., for example, sensitive to the public's
reaction to higher oil prices, decided in the mid-1970s to
make substantial increases in its general philanthropy.
The Mobil Foundation, in addition to aiding universities,
is a big supporter of small, struggling theater and art
groups because, it concluded, even a modest $1,000 gift to
such organizations can make an impact. Rosemary A.
Judge, president of the foundation, said.

Representatives of several insurance companies re-
cently agreed to focus on job-training for young members
of minority groups as an industrywide concern. The move
was in keeping with the tradition of insurance company
action initiated after the 1967 racial riots in Newark,
Detroit and elsewhere.

At that time, the companies agreed to invest $2 billion
in revitalization and job-training in the inner cities. In
explaining the move, executives candidly pointed to the
location of their home and regional offices in the afflicted
urban centers, and to the fact that they had millions of
policyholders living and working there.

Many companies are taking stock and looking about for
other ways they can help needy communities, said Wil-
liam Kieschnick, president of the Atlantic Richfield Co.
For example, a small coalition in Los Angeles has been
set up to handle requests from local non-profit groups for
help in kind that they otherwise might have to purchase.
This could take the form of helping to prepare a publica-
tion or advice about a fund-raising campaign.

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San Diego's port looks ahead to a bright year of expansion

By Alison DaRosa
Telegraph Maritime Writer

If you've grown accustomed to the San Diego waterfront's face, don't blink, it could all change, soon.

"We've got the people, the property and the money for a lot of action in '82," said San Diego Mayor Schmeller, who has taken over as chairman of the San Diego Unified Port District's Board of Commissioners.

"We'll be making our harbors the best front door of any community in America," added Annette Vanna Phil Cresser, last year's chairman.

While the rest of the nation may be mired in economic doldrums, the San Diego Port District is riding a boom-time wave, Wolfsheimer said.

"Now is the time to demonstrate that the business of the port can spur the economy that is beginning to slow down in San Diego," the new port chairman said during the board's first meeting this year.

"I foresee only boom times for the Port District. You'll see a substantial number of projects get off the ground this year - a lot of steel and concrete will go up."

A primary target for development will be a San Diego Convention Center that has called on the Port District to provide land for a center - and the board of commissioners can be expected to accommodate San Diego's mayor.

Coronado Commissioner Ben Cohen says he can be counted on to provide the needed fourth vote, if San Diego's three representatives on the commission want the port to turn over a tidelands convention center site.

"A convention center would benefit the port, the city of San Diego and the downtown community." Wolfsheimer said.

hotel complex ever developed in San Diego, the twin-tower Nautilus high-rise will include a 500-slip marina.

"The port has allocated $400,000 to ease the parking crunch near Seaport Village. A 532-space lot just east of the village is expected to be paved in time for the summer tourist influx."

"The port may be expected to develop as many as four remaining hotel sites on city tidelands this year, according to Wolfsheimer. Two of the sites are on Harbor Island, one is on the G Street Mole and the fourth is at Grape Street across from Labach's Restaurant.

"We've been holding off for years on these projects, while the city gets commitments from its downtown hotel developers," Wolfsheimer said. "All of the properties currently are on short-term leases. I think you'll see the commission deciding what's going to happen on several of these sites soon.

"San Diegans can expect to get their historic Rowing Club back this year. Chart House Restaurants convinced port commissioners last year to turn the dilapidated structure over to the company. Renovation is already in progress and Chart House officials say the old boathouse will open as a restaurant in the fall of '82."

"Shelter Island is getting a face lift this year. Landscaping designed to create a pedestrian mall-type atmosphere will highlight the project. The port is considering eliminating the island's traffic circle, portions of a bay-front parking lot and rerouting traffic to create a new 6.5-acre bay-front park on the island. The park would include a jogging path and a convenience food stand."

"Coronado could get a bay-front park this year, too. Port commissioners have hired a landscape architect to work with them on plans and cost estimates for a park to include a recreational area, ball fields and a swimming pool at the foot of the bridge."

"Tuna industry and other maritime interests oppose developing a park on the Coronado Bridge site, but it's likely that the port must first move to develop a bay-front park at the feet of Coronado Street for island residents."

According to the California Coastal Commission, barrio residents need a bay-front park - before Coronado needs a bay-front commercial development or another civic center.

Two waterway and other maritime interests oppose developing a park on the Coronado Bridge site. They say the port is one of the last remaining deep water sites in San Diego Bay and must be reserved for industrial development.

"Somebody's just going to have to take the ball by the San Diego's Port District looks ahead to a bright year of expansion.jpg
Runnin' On Empty

... Colleges Prepare For Pinch Of Federal Belt-Tightening

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

Thousands of San Diego college students see the next few years as the bleakest financial picture in two decades because of the federal government's proposals for cuts in student financial aid.

If anyone benefits from the federal proposals for the next two years, and that is considered doubtful, it is the nation's banks. For everyone else — students, universities and taxpayers — it is a disaster, agreed the financial aid experts of the University of California at San Diego, San Diego State University and the University of San Diego.

"That is a horrifying picture," said UCSD's financial aid director, Thomas M. Rutter, as he surveyed a wall chart of the Reagan administration's proposals.

It showed longstanding programs completely drying up in 24 months, and others suffering massive reductions.

"By the fall of 1983, more than half of the total federal money going out under the heading of student financial aid will be going into the banks to pay interest on federally guaran-

Diane Dwyer is less than a year away from graduating, but if she had not managed to save part of an earlier loan, she would have been forced to drop out under the tightening regulations.

"It's gotten tougher and tougher every year for the vast majority of students. I know we keep hearing about the abuses, but I know that most of the students with grants and loans on this campus need that money to survive," she said.

Benton said that too many people incorrectly believe students party around, drink beer and whoop it up all the time.

"I am not gifted enough to just sail through the classes with relative ease. I have to do a couple of hours additional work at home at night, in addition to working at my job," he said. "My girlfriend and I don't spend all our time at parties."

Rutter pointed to the Reagan administration's proposals for the next two years.

The National Direct Student Loan program would be cut from $186 million last fall to $179 million in fall 1982, and to nothing the following year.

Similarly, the Supplemental Educational Opportunity Grant program would go from $370 million to $278 million, and then to nothing. And the State Student Incentive Grant Program would scale down from $77 million to $68 million and then zero.

(Continued on B-8, Col. 1)
Colleges Will Feel Pinch From Belt-Tightening

(Continued from B-1)

The College Work-Study Program would be reduced from $550 million to $484 million and then $398 million, while the Pell grants (the former Basic Educational Opportunity Grants) will be reduced from $2.346 billion last fall to $2.187 billion this fall, and $1.4 billion the following year.

That is nothing short of a disaster,” said Rutter. And in speaking to the University of California Board of Regents last week, UC President David S. Saxon said, “Such a decline can fairly be described as catastrophic.”

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The inequity of it all is that all the other loans and grant programs are now being cut to pay for the GSL problems despite the fact that those other programs are based on a student’s family proving their need through a process that is even more demanding than a tax return,” he said.

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Runnin' On Empty

... Colleges Prepare For Pinch Of Federal Belt-Tightening

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

Thousands of San Diego college students see the next few years as the bleakest financial picture in two decades because of the federal government's proposals for cuts in student financial aid.

If anyone benefits from the federal proposals for the next two years, and that is considered doubtful, it is the nation's banks. For everyone else — students, universities and taxpayers — it is a disaster, agreed the financial aid experts of the University of California at San Diego, San Diego State University and the University of San Diego.

"That is a horrifying picture," said UCSD's financial aid director, Thomas M. Rutter, as he surveyed a wall chart of the Reagan administration's proposals.

It showed longstanding programs completely drying up in 24 months, and others suffering massive reductions.

"By the fall of 1983, more than half of the total federal money going out under the heading of student financial aid will be going into the banks to pay interest on federally guaranteed loans. We are talking of well over $2 billion. It's the best thing that ever happened for the banks," Rutter said.

As a result, the 3,000 students at UCSD receiving some type of federal aid will, for the first time, be advised this year that they should take out a loan to meet expenses.

"The average student will be $1,000 short this year, and up to $2,500 a year short by the fall of 1983 if Congress goes along with the federal administration's proposals," he said.

At San Diego State, Thomas R. Pearson, director of the financial aid office, said that up to one-half of the roughly 11,500 students now on some form of aid could be cut out if all the federal budget reductions are made.

And at USD, 59 percent of the 1,584 grants being received by students would be lost by 1983, said Herbert S. Whyte, director of financial aid.

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"I am carrying a full load and work almost 30 hours a week on top of that. I applied for a loan and did not get one. My mother makes $20,000 a year, she is going to community college and my sister is here at State as well, yet I could not get help," he said.

"I have one more year to go and I will make it through, but I pity many of the students with years of study ahead of them."

Diane Dwyer is less than a year away from graduating, but if she had not managed to save part of an earlier loan, she would have been forced to drop out under the tightening regulations.

"It's gotten tougher and tougher every year for the vast majority of students. I know we keep hearing about the abuses, but I know that most of the students with grants and loans on this campus need that money to survive," she said.

Benton said that too many people incorrectly believe students party around, drink beer and whoop it up all the time.

"I am not gifted enough to just sail through the classes with relative ease. I have to do a couple of hours additional work at home at night, in addition to working at my job," he said. "My girlfriend and I don't spend all our time at parties."

Rutter pointed to the Reagan administration's proposals for the next two years.

The National Direct Student Loan program would be cut from $186 million last fall to $179 million in fall 1982, and to nothing the following year.

Similarly, the Supplemental Educational Opportunity Grant program would go from $370 million to $278 million, and then to nothing. And the State Student Incentive Grant Program would scale down from $77 million to $68 million and then zero.

(Continued on B-8, Col. 1)
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THE SAN DIEGO UNION Sunday, February 28, 1982

B-8
Early Sampling of College Applications Indicates Probable Enrollment Decline

By JACK MAGARRELL

College and university enrollments can be expected to decline widely next year. The Chronicle's first survey of applications to next fall's freshman classes indicates that the total number of applications is slightly higher than at the same time last year, but the proportion of colleges and universities reporting fewer applications has risen sharply.

The Chronicle Survey, which estimates trends on the basis of data from 274 four-year colleges and universities, found that 43 per cent of the institutions had fewer freshman applications at the end of last December than they had had a year earlier.

30 Pct. Reported Declines

A year ago, the Chronicle Survey found fewer than 30 per cent of the institutions reporting a decline in applications as of December 31. By last June, when virtually all applications were in, the proportion of institutions reporting a decline remained under 30 per cent.

Total freshman applications last year were up 6.5 per cent, according to the Chronicle Survey.

Figures on how many of the applicants actually enrolled are not yet available, but the increase in total enrollment for the fall of 1981 was estimated by the National Center for Education Statistics at less than 2 per cent.

The overall increase in the number of freshman applications reported to date is so slim that it could disappear before fall. A decline in the number of college fresh-Continued on Page 6, Column 3
Sampling of Applications continued from Page 1

men—or even a decline in total enrollment—would not surprise education officials who have been watching population trends.

The Census Bureau estimates there are 1.4 per cent fewer 18-year-olds in the country this year than there were last year, and 4.7 per cent fewer than in the peak year of 1979.

Increases in total enrollment in the past three years have been attributed, in large part, to economic conditions that made study more attractive than job hunting.

Eventually, some education officials warn, the effect of a poor job market on enrollment will be offset by an increasing number of students who cannot afford to stay in college.

At the University of Wisconsin's Madison campus, concern about a growing proportion of freshman applicants who failed to enroll—8 per cent last fall—prompted a study of the "no-shows."

David Vinson, admissions director, said nearly 40 per cent of the no-shows said either that the university had not offered enough financial aid or simply that the cost of attending had become too high.

Much Smaller Increase

Although patterns can change between December and June, the early applications represent a substantial share of the total.

In 1981, 38 per cent of the freshman applications on hand at the end of June had been received before December 31, 1980.

As of December 31, 1981, applications for admission to freshman classes next fall were up 1.6 per cent compared with the same period a year earlier.

The count in December, 1980, showed a 13-per-cent increase in applications, although that was cut in half, to 6.5 per cent, by the end of June, 1981.

The latest report shows more than 54 per cent of the institutions, both public and private, had an increased number of applications as of last December 31, compared with the same date a year earlier.

Decreases in the number of applications were most common at the larger private institutions and the smaller public institutions. Such decreases were reported by 50 per cent of the private institutions with 10,000 students or more, and by at least 50 per cent of public institutions with enrollments of less than 10,000.

Big Declines in Southeast

Geographically, the Southeast reported the biggest and most widespread decreases. That region's institutions averaged 3 per cent fewer applications than a year earlier, with decreases reported by 48 per cent of the private institutions and 61 per cent of the public institutions.

The Chronicle Survey of freshman admission applications is based on a stratified random sample of 274 public and private institutions, weighted to represent all four-year institutions with enrollments of 500 or more.

Later reports on trends in the number of the applications for admission to next fall's freshman classes will be published in The Chronicle during the next four months.

The Chronicle Survey is conducted for The Chronicle of Higher Education by John Minter Associates, Box 107, Boulder, Colo. 80306, a research organization that specializes in higher-education studies.
Campus Unrest Of '60s Backfiring?

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

Twenty years ago, people of wisdom warned that some day the nation's universities would pay for the unrest of the 1960s. Maybe that day has come, believes Dr. Arthur E. Hughes, president of the University of San Diego.

They said that the public could not be abused by the campuses as it was; some day it would all come home to roost.

"And I think the nationwide disenchantment of that era might have cost us the public support that we need today. The universities are no longer a top priority," and as a result the campuses might not be able to gain enough support for the fight needed to offset massive cuts that have been proposed in university student aid, Hughes said.

Hughes recently was elected to the board of directors of the National Association of Independent Colleges and Universities, and will represent the western states in the association's advocacy efforts in Congress and the White House.

After talking with congressional representatives in Washington, D.C., Hughes said, "I keep hearing them say they will not support deep cuts as are proposed by President Reagan, but I will not be convinced of that until Congress submits its own budget in answer to the President."

The President's proposal would cut education aid to students by 40 percent over the next two years and Congress must see that such cuts might be supported to help protect social services or defense spending.

If Congress supports cuts proposed by President Reagan, it will take billions of dollars away from the universities over the next two years, cutting student aid by more than 40 percent.

The "precipitous speed" of this withdrawal of federal support is dangerous, and ignores the fact that it was the federal government itself that called for the expansion of the universities over the last 25 years.

Russia's Sputnik launching showed that U.S. technology was being surpassed. It was the federal government that called for an increase in the number of highly educated citizens, and the federal government that developed the financial programs enabling as many capable people as possible to get into higher education.

"The universities did not go out and seek more people. The government asked us to do the job," said Hughes.

The universities responded and built a higher education second to none in the world, restoring the nation's technological leadership, but the government's present course is in danger of crippling that effort, he said.

"Despite their rhetoric to the contrary, education is not a priority with the Reagan administration," and it might be difficult to get widespread public support to head off the proposed cuts, he said.

The restoration of U.S. technological leadership enhanced the traditionally high esteem the public had for the universities, but this was severely eroded by the campus troubles of the 1960s and 1970s, Hughes said.

"The public became disenchanted with what they saw as a breakdown in the tradition of higher education from dependable consistency to the more liberal activism."

"There has been no overt effort to shift priorities away from education, but for years there have been enough national resources to meet the college program needs without putting strains on other national programs," he said.

But today, higher education is in direct competition with defense, social security, prisons, and social programs for the federal dollar. This comes at a time when public support might be at its lowest in decades, he said.

Hughes said that he and other campus leaders are not disagreeing with the need for cutbacks in the federal budget, and in federal support for the universities.

"But the 40 percent cut being faced by the nation's universities is far out of line with the other federal cutbacks," he said.

Hughes also said that he and other campus leaders are not disagreeing with the need for cutbacks in the federal budget, and in federal support for the universities.

Cuts must be made, but a little more time is needed in making them, Hughes believes.

"I have been through this once before when the church found it was unable to continue the high level of financial support for the University of San Diego. It was not a lack of desire to help; it just was not possible any longer."

We had a sudden cutback. We recovered and are strong again today, but it took 10 years.

There are some parallels in the federal government's financial position and cuts are necessary. I just say, give us a reasonable amount of time to adjust," Hughes said.

Hughes said he also "strongly disagreed" with a tendency for more people, and members of the Reagan administration, to see student financial aid as "some kind of welfare program for students, and therefore ripe for the President's budget-cutting as."

"That is totally untrue. An educated population is an investment in the national future. An enlightened society is the foundation of any successful democracy, but the federal government proposals could put that enlightened society on the endangered list," he said.

Everyday life is becoming increasingly complex and people in a free participatory democracy need more education if they are to play their part in it, Hughes said.

The USD campus faces losses of $700,000 next year and $1.2 million in the 1983-84 fiscal year, which could result in up to 900 students being forced out, he said.

Campus leaders do not believe the overall enrollment at USD will be hurt, because there is a good flow of applications each year. But the cultural and ethnic diversity that has expanded on the campus in the last 10 years could be eroded as a higher percentage of the more well-to-do, mainly white, families become exposed among the applicants, the campus authorities fear.

The students who are pushed out for financial reasons will not necessarily be denied an education, said Hughes.

"The are bright students, often high in their graduating class, and they will earn their place in the public universities."

That means the taxpayer in California will have to pick up the cost of over $4,000 a year for each of these students who previously were willing to join their families in taking out loans in addition to their taxes for the benefits they perceived in a private university.

"That is unjust to the students, the campuses, and the general taxpayer," Hughes said.

If the cuts go ahead with the proposed severity, then 10 to 20 years from now, the nation may be paying the price with a depleted higher education system and all the attendant disadvantages — "it may well come home to roost once again," Hughes said.
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The loans and grants taken out by public campus students are used mainly for living expenses, plus books, travel and relatively minimal university fees of less than $500 at the state college system and $1,000 at the UC system.

In the private universities, the families usually bear all the living, travel and other costs, and take out the loans and grants to meet additional tuition costs, which at USD for example, total almost $4,000 a year.

"Private universities are a good deal for the general taxpayer, saving enormous amounts of public cost. Sometimes that is forgotten," said Whyte.

If Congress goes along with the Reagan administration proposals, it will unravel more than 20 years of attempting to bring some equality of opportunity into higher education, said Pearson.

If the federal government steps back from its financial involvement and tries to make the states fill the void, each state will react in a different way, reintroducing the old conditions under which the quality of higher education available to people depended on where they live, he said.

"I don't think anyone will argue that the GSL program got completely out of hand, but that is as much the fault of Congress as anyone," said Whyte.

The inequity of it all is that all the other loans and grant programs are now being cut to pay for the GSL problems despite the fact that those other programs are based on a student's family proving their need through a program that is even more demanding than a tax return," he said.

To Rutter, the picture, which is confusing to financial aid experts, "must look horrendous to the student and his or her family."

"There is a great danger that as they look at the tremendously uncertain future evident in the next few years, they may decide to turn to the job market, further aggravating the already acute unemployment problems," Rutter said.

"And," added Whyte, "they will have been forced to settle for less in life because these opportunities for development are being taken away."

"What makes you want to cry," said a student, "is that many of the people who now want to cut these programs are where they are today because they took advantage of the programs they now want to cut."
$50 Million Bond Plan Proposed For Student Loans

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

A statewide association of independent universities is seeking permission to sell $50 million in tax-exempt bonds to help provide loans to students.

The bond money would be used mainly to help those students who are expected to be cut out of the giant federal Guaranteed Student Loan program under budget proposals by President Reagan.

Proposed new regulations, yet to be debated in Congress, could exclude as many as 35 percent of the private university students who borrowed over $200 million in GSL program loans in California last year, and cut all student aid by almost 50 percent the following year.

At the University of San Diego, the city's largest private four-year college, it is estimated that 400 of the 1,200 students now receiving GSLs would be excluded if the new proposals from the Reagan administration are endorsed by Congress.

That would withdraw about $1 million of the annual $3 million borrowed by USD students, said Herbert E. Whyte, the campus student financial aid director.

About one-third of those who would be excluded presently use the GSL program because it is more convenient than other sources of available funding and could find other funds.

But the remaining two-thirds — about 260 students — probably would be unable to continue at the university if the Reagan proposals are adopted and no alternative loans are made available, said Whyte.

The $50 million bond issue is being proposed by the Association of Independent California Colleges and Universities, and must first be approved by the California Student Loan Authority and other regulatory agencies before the bonds can be sold.

The loan authority, established by the state Legislature in 1980, must agree with the program and can then grant its tax-exempt status to the bond issue.

The issue is floated at no cost to the public. The administrative costs are financed out of the bond issue and the bonds are repaid through repayment of the loans by the students.

The state authority meets in April to consider the bond issue program, and if approved, the loans could be available to students in time for the coming academic year, said Warren M. Dillard, vice president for financial affairs at Pepperdine University, who served as chairman of the AICCU committee which drafted the bond issue proposal.

"We are giving this our wholehearted endorsement. It is a rapid and effective private sector response to what we see as potentially devastating cuts in the federal support for higher education," said Dr. Author E. Hughes, the president of USD, and vice president of AICCU.

The Reagan proposals could eliminate all graduate students from the GSL program, and could cut out students from upper family income families.

One government proposal is that families earning more than $30,000 a year should not have access to federally subsidized loans but could get loans at higher interest rates, though still below the market rate.

Banks have shown reluctance to become involved in some of the alternative loan programs being offered by the government, and the bond issue would help provide a reservoir of money to meet the needs of the families excluded under any new rules, said Dillard.

AICCU official Frank Jones said 45 of the 58 campuses in the statewide association have shown an interest in the program, but some of the larger campuses, including Stanford and the University of Southern California, may operate similar but independent programs.

At USC, financial aid director Dr. Michael H. Halloran said that USC has proposed its own $20 million bond program to help provide student loans, but will offer all possible help, encouragement and support to the AICCU proposal.

"It is to the advantage of the smaller colleges and universities to get together in a program like this because the setup and administrative costs of such a bond issue don't reach the break-even point until the bond issue goes over about $3 million," Halloran said.

The colleges and universities supporting the proposed bond will be expected to put up about $5,000 in initial operating funds for every $1 million they expect to draw out of the bond.

Should the bonds not sell, or should the program otherwise not go into operation after state approval, the campuses will lose this money.

The campuses also will be required to agree to be ready to subscribe to a reserve fund equal to 15 percent of the loans made under the program to meet any contingencies.

With legally required reserves and other costs, about $41.5 million of the bond issue is expected to be available for student loans, said Dillard.

The maximum loan is expected to be $2,500 a year, close to the average GSL loan of $2,200 last year, he said.

All the $50 million is expected to be spoken for immediately by students, and depending on the experience, permission will be sought to expand the bond program to future years, or other programs will be proposed, Dillard said.

In the past, individual campuses have developed such programs, as in the case of USC, and state agencies have launched such bond issues in their own names and on their own authorities. This is the first time that a group of private universities has proposed such a program through a state agency.

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Congress has passed, and the President has signed, an unamended extension of the Continuing Resolution through September, generally assuring student aid funding for the 1982-83 academic year.

Rumored reports of plans in the Senate to attach new GSL restrictions to the stopgap funding measure finally did not materialize. Congress, however, still must complete action on a $1.3 billion GSL supplemental, approved by the House Appropriations Committee on March 23.

That committee denial of the Administration's proposal to cut back student loans was a milestone vote marking the first such rejection of a Reagan budget proposal and setting the stage for a renewal of the federal commitment to equal opportunity in higher education. Senate action on the supplemental will follow the current recess which affords opportunities for direct communications with Senators on the home front.

Meanwhile, our college spokespersons should be alerting students and prospective students that the curtain of uncertainty about student aid availability has been pulled back, at least for the year ahead. Indeed, the Continuing Resolution vote may signal a longer term change of sentiment in Congress -- a resolve to protect education and some other domestic programs from the drastic FY 1983 cuts requested by the President.

Beyond that, events will be influenced greatly by what happens with the economy in the next several months and with the elections in November. Until then, we are advised by Congressional friends of higher education to keep the pressure on for saving and restoring federal program funding for FY 1983 at least. Toward that end, you will be receiving within a few days some material that should prove helpful from the Action Committee for Higher Education.

Perspective

With the Administration and Congress still at loggerheads on how to resolve the budget crisis, it's too early to predict how domestic programs ultimately will fare for fiscal 1983.

One thing is clear, however; Congress for the first time is resisting the President's call for further reductions in many of these programs. And student aid could well be uppermost among them.

While the news on the Congressional front is encouraging for higher education -- and we do want students to know that prospects are good for continued federal assistance at substantial levels and in the familiar packages -- we cannot afford to relax our efforts to ensure that objective.

Last week's front-page New York Times story headed "Students Rejoice at Prospect of No Further Cuts" may be premature, and could even result in an unwarranted relaxation of the nationwide effort that must be sustained throughout the entire budget cycle.
Background

The Congressional logjam on budget alternatives was broken by Senator Hollings, whose heralded "freeze" proposal was initially unveiled at the NAICU Annual Meeting. Senator Domenici's variations on that theme served to increase public and lawmaker support of such an approach.

Then, in late February, came the arresting announcement (in a "Dear Colleague" letter to the President) from twenty-one freshman Republican House members that they were opposed to further cuts in education spending. Other such letters from both chambers found their way to the Oval Office. So did resolutions to ensure continuing eligibility of graduate and professional students for GSLs.

More than 5,000 students observed the first day of March by marching on Capitol Hill and, joined by faculty and administrators and some parents, demonstrating and lobbying against the proposed cuts. Delegations of several state higher education interests (presidents, trustees, faculty, and others) followed in their wake, meeting with their Congressional delegations and higher education association leaders in Washington.

On March 11, NAICU arranged a briefing for Senate Majority Leader Howard Baker by six representatives of member institutions (chosen for their strategic locations), along with John Phillips and Peter Gossens. Walter Peterson, president of Franklin Pierce College, initiated the arrangements for a well-received open discussion of independent sector concerns. A second briefing session, this one with House Speaker O'Neill and key leaders, was held on March 31. Other such meetings with the leadership are on the NAICU calendar, involving many of our presidents whose colleges are located in target districts.

The March 23 vote of the House Appropriations Committee, as noted, approved an additional $1.3 billion for GSLs, and $4.6 million for processing of Pell Grants. The panel's second vote, to extend the Continuing Resolution through September 30, won approval from the full House the following day.

Next came the budget recommendation of the House Education and Labor Committee for FY 1983, with funding levels exceeding not only current authorizations but even those set in last year's Reconciliation Act. The Senate authorizing committee reached a stalemate in its budget recommendation deliberations, leaving the field open for possibly unfriendly action by the Senate Budget Committee.

On April 1, the search on the Senate side for compromises in the budget impasse hit rough terrain. Some strong opposition emerged in the Finance Committee to proposals for a minimum corporate tax and for modifying the controversial tax-lease provisions of the tax law.

The Senate Budget Committee, which will start drafting the specifics of a budget resolution on April 13, is analyzing a handful of proposals from committee members. Most call for cuts in defense and entitlement programs and for some form of revenue-raising via taxes or user fees. Still, some Democrats on the committee were advocating a stall until the President tips his hand on the budget crisis.
The stall may be a recurring phenomenon as Congress and the Administration seek to skirt controversial issues in the pre-election months.

Immediate Agenda

Budget Committees in both houses are marking up the first concurrent budget resolution for FY 1983. Recall that last year's action on this measure required student aid reductions of $1 billion-plus. Current proposals in Congress range from level funding to funding at levels slightly higher than those authorized by the 1981 Omnibus Reconciliation Act. The Senate side is expected to set lower levels, closer to the Administration requests.

Action:


- Use the April recess (district work period) as an opportunity to visit with your Members. Contact their local offices for appointments.

Finally, as feared, the Administration's proposed limitations on tax-exempt bonds, sent to Congress this month, emphatically threaten higher education's use of this mechanism to finance student loans and educational facilities. The restrictions would have the unintended result of inflating higher education prices and undermining investment in human capital -- both militating against economic recovery.

NAICU is testifying before the House Ways and Means Committee on April 6 on both TEBs and on possible changes in the corporate and individual minimum tax calculation that would have a negative impact on charitable giving. Although slippage is likely, both the House Ways and Means Committee and the Senate Finance Committee have indicated they will "mark up" a tax bill by mid-April.

Action:

Communicate with Members of Congress about the importance of tax-exempt bond financing for independent colleges and universities, and to their students. Points to remember:

- Twenty percent of the total student loans made in the nation rely on TEB financing.

- In 30 states, independent colleges and universities used TEBs to finance facility construction and renovation.

- The revenue loss attributable to higher education's use of TEBs is minuscule, and the returns serve a certifiably public purpose.

NAICU would appreciate receiving word on any actions taken. Thank you again for your splendid assistance and support. More of the same is needed.
CONGRESSIONAL BUDGET CYCLE - 1982

January 25 -- Congress returns
January 26 -- President's State of the Union message

February 8 -- President submits FY 1983 budget to Congress
February 11-15 -- House District Work Period
February 12-22 -- Senate District Work Period

February/March -- Authorizing committees and budget committees hold hearings on impact of budget recommendations; Appropriations committees consider FY 1982 supplemental and rescissions

March 15 -- Authorizing and Appropriations committees submit recommendations to budget committees
March 31 -- Continuing Resolution expires

April 1 -- CBO submits its analyses of costs and economic implications of the budget

April 7-13 -- Senate District Work Period
April 7-10 -- House District Work Period
April 10 -- CBO submits amendments to and revisions of President's budget
April 15 -- Budget committees report final budget resolution for FY 1983 and first for FY 1984

May 15 -- House and Senate act on final budget resolution for FY 1983 and first for FY 1984, Congressional committees report new authorizing legislation

May/June -- House and Senate act on conference report on first budget resolution for FY 1983

May 28-June 1 -- House District Work Period
May 28-June 7 -- Senate District Work Period

June/July -- House and Senate act on FY 1983 Appropriation bills
June 28-July 22 -- House District Work Period
July 2-12 -- Senate District Work Period

August 20-September 7 -- House District Work Period
August 20-September 8 -- Senate District Work Period

September 15 -- House and Senate complete action on second budget resolution for FY 1983
September 24 -- Reconciliation completed

October 1 -- Fiscal Year 1983 begins
October 3 -- Adjournment target date
Restoring Of Student Aid Funds Welcomed

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

Congress has restored $141 million in student aid that President Reagan wanted cut from the coming school year, bringing the first smiles in months to the faces of local university leaders and federal education officials, and giving students a hint of possible relief from crippling funding cuts.

Congress, in passing a continuing resolution that maintains student aid appropriations at this year's levels, has given "dramatic evidence" that it is not in agreement with the Reagan administration's efforts to make education cuts in the coming year, or to make even more dramatic cuts for 1983-84, said Maryn McAdams, a legislative assistant to the House committee on post-secondary education.

"Author E. Hughes, president of the University of San Diego, said the move represents a "clear statement" by Congress that the cuts will not be supported, and "is the first break in the massive clouds of gloom that have surrounded higher education for months."

Though other local leaders were cautious about Hughes' optimism, McAdams said, "I think Dr. Hughes has made a very accurate reading of the Congress."

"It is the very first statement by the Congress that they will not support the cuts, but it is a strong statement," she said.

"This was money already budgeted for the coming year which the administration wanted to pull out of the appropriations, and the Congress could have gone along with that request. Instead, the members gave a very clear statement to the contrary. In addition, there have been a number of resolutions introduced calling for the full funding of higher education.

"I think there is real room for optimism, though there is still plenty of work to be done," McAdams said.

The action last week eliminates proposed cuts of $91.4 million in Pell grants for disadvantaged students, $44 million in the Work Study Program and $6 million in the State Student Incentive Grant program.

It does not include action on the (Continued on A-8, Col. 1)

Educators Here Welcome Student Aid Fund Restoration

(Continued from A-1)

While the dollar amount involved in the action is relatively small -- $141 million in a $3.3 billion student aid package -- the principles and the psychological impact are seen to be great.

Hughes serves as the Western states representative of the national association.

At UCSD, financial aid director Thomas M. Rutter, who takes over as president of the Western Association of Student Financial Aid Administrators in July, said he agrees with Hughes that the administration's proposal to almost halve student aid in 1983-84 will not get past the Congress.

Rutter said he believes there is a growing recognition of the importance of education in the nation, and members of Congress seeking re-election will not support the "massive attack on education funding" that President Reagan is proposing.

"But the congressional action to continue the coming year's funding at this year's levels still represents a real cut for the students and campuses," Rutter said.

"The cost to the average student at UCSD will increase by $800 this year just to maintain the same living and education. With 3,000 students on financial aid here, it means that the university's income will be cut by $800 times 3,000, or $2.4 million," he said.

Hughes stressed that he does not believe the relief granted by Congress represents an end to student financial problems. "All we have gained is a little breathing space. There will definitely be cuts though not as large as President Reagan would like, but now we have a little more time to adjust to them," said Hughes.

Hughes had earlier criticized what he called the "precipitous nature" of the administration's cutback in university financing, which would take more than $2.3 billion out of the $6 billion student aid package over the next 18 months.

"We expect to have to share in the economic cuts necessary in a nation with the financial problems now facing the United States, but no institution, including higher education, can respond to cuts of that in order in such a short time without causing havoc," Hughes said.

Given a little more time, he said, the universities and colleges could respond with alternative financing programs for students, and cited a move by the Association of Independent California Colleges and Universities to floated a $50 million bond to provide private loans to students who were cut out of the government programs.

"Private and public education is joined in a common struggle to fight for as much public finance as is reasonable and fair for us to receive, and I think we have proved effective in that fight, and to seek as much private financing as we can," said Hughes.
Whither Higher Education . . .?

A Conversation with the Heads of Three San Diego Universities

Curtailed financial aid, a coming drop in potential students and slippage in the quality of the educational product, among other factors, are shaking the foundations of American higher education. Today, in a conversation with editors of The San Diego Union, Dr. Richard Atkinson, chancellor of the University of California, San Diego; Dr. Thomas Day, president of San Diego State University; and Dr. Author Hughes, president of the University of San Diego, reflect on the impact of these forces, plus San Diego's need for enhanced university education opportunities, on the future of higher education in this community. Here are their observations.

Q: Can you tell us what proposed reductions in federal aid to higher education will mean to the universities? Dr. Day?

Day: The cuts that affect big universities the most will be in the financial aid area. If you look ahead to 1983-84-85, we think that we probably will be cut 25 to 40 percent in dollars and in the number of students who are helped by financial aid at one time or another. Other sources of money which come into the university, primarily through contracts and faculty research and service grants, tend to fill in for any particular cut in those areas, so our principal worry is in student financial aid.

Q: Dr. Hughes?

Hughes: You realize that Congress has passed, and the President has signed, a continuing resolution for the budget for 1982-83, so what we perceived as a major threat to us seems to have been somewhat averted. Our concern was that the administration's interest in reducing rather dramatically student aid programs over the two years could leave us with as much as a 25 percent reduction in student aid, in excess of a million and a half dollars. But, frankly, with the congressional action, we see a switch in emphasis, a reduction of our concern for federal withdrawal from the student subsidy programs. As President Day said, we're not assured yet of what the budget is going to be for '83-84, but we are considerably less concerned about the federal withdrawal from student aid support programs than we were.

Q: Dr. Atkinson, what do you see?

Atkinson: I think Dr. Hughes hit it very much on the head. When you look at President Reagan's proposed budget for '83-84, the issue of guaranteed student loans and the like looks very bleak. I think everyone now is of the view the budget is going to be modified, and in terms of student support there is going to be a reduction from this year to next. At UCSD that probably will amount to about 10 percent, but that is compounding with the increased cost of going to school, so clearly it is going to be felt by students. But I don't think the alarm will be quite as dramatic as if one were planning to operate within the framework of the original Reagan '83-84 budget. A big part of our funding, of course, is in terms of the research and development programs, and there the Reagan administration really has done quite a good job. I'm not satisfied with the total budget, but I think that they have worked very hard to maintain a strong research and development budget. Just to give you a feeling for that, last year we received about $122 million from the federal government just to support our research programs and we are expecting to go up about 8 or 9 percent this year. We've got other problems in the Medi-Cal and Medicare area in terms of programs at University Hospital. That's going to be hit pretty hard.

Q: Still, when you look at the financial picture at state and federal levels, something has to be cut. The federal budget will be in deficit over $400 billion for the next three years; the state is looking at a $1 billion to $3 billion deficit in the next couple of years. Do you see any threats to higher education in the future?

Day: There is one area that concerns me a great deal, and that is the cutback that seems to be looming in graduate student aid. I think there is some confusion in the minds of the public, and perhaps in the minds of the administration, on the different kinds of graduate school and professional aid for students. Many people believe that, particularly in the professions — law, medicine, engineering, things of that kind where there is a high income down the road — students can borrow against future earnings. Perhaps that's true to some degree. But our graduate schools also are the seedbeds for future faculty for future universities, where there are not very high earnings, by and large, down the road. If we take away the support to these kinds of students, we are within a generation or two of killing our universities, and a generation beyond that, our economy and our nation. You can't have it both ways. You can't be screaming about the lack of faculty in areas like engineering and science and at the same time make it very, very difficult to attract faculty to those areas, much less to produce proto-faculty in our graduate schools. This problem is getting caught up in the larger problems of middle-income students at the undergraduate level. I think it should be separated out and studied carefully, because it is the seed for the future of the universities, which in turn are the engines which drive our economy.

Atkinson: I agree totally. This emphasis on removing all types of financial aid to graduate students gets to be a problem particularly in the sciences and engineering. If we cannot provide some type of aid to students in science and engineering, as opposed to medical schools, law schools and the like, we just are not going to recruit students into graduate work. That is already a disaster on the national scene. The United States, in electrical engineering and computer science, currently is producing about one-third the number of graduates that industry is going to require over the next 10 years. Depending on which report you look at, you can vary that number somewhat, but there is no question that as a nation we are far under-producing the number of electrical engineers, computer scientists and a number of other areas that are absolutely critical to the economy. And if we don't begin to worry about that, it's going to accumulate in a major way. There is another disturbing thing. I have two faculty members with offers of $100,000 apiece for salary alone from the (Continued on C-6, Col. 1)
Whither Higher Education . . .?

University of Florida. The state of Florida, along with North Carolina, has targeted solid state physics, computer science, artificial intelligence and certain areas of molecular biology, and they've taken the view that if the economy of Florida is going to prosper, they have to begin to build the university's expertise in those areas. They are literally moving around the country recruiting some of the best faculty available. I hope we don't lose those two faculty, but the state of California has to begin to understand that a whole technical base has been built here because of the unique features of its universities in terms of graduate education and the ability to attract first-rate faculty. We have to, as a state, begin to produce the number of electrical engineers and computer scientists that industry in this state needs, let alone the country.

Q: How does a cutback in federal or state student aid funds work its way through the system? For instance, does a 10 percent cutback mean a 10 percent reduction in the amount of aid available to a given student, or does it mean 10 percent fewer students would be eligible for aid? Would it cut off people at the upper level of need?

Hughes: There is a complex of student aid programs, each directed toward one kind of student support or another. The work-study program, for example, provides an institution funds for student jobs. Others are out-and-out grant programs. If the decrease is across-the-board, let's say 10 percent, then there would be a systematic reduction in all of those programs. That was not what was proposed. The call was for complete elimination of some programs and a reduction in others — and, I might add, an expansion of the guaranteed student loan program from necessity.

Q: Let's clarify all this. We're not really talking about no loans in many cases, but about the difference between a 9 percent loan and a 14 percent loan. The Pell program is supposed to be for poor people and we spent almost $8 billion dollars on it in the last year. The Wall Street Journal reported that one-third of that went to families with annual incomes over $26,000. When we talk about cutting back the GSL programs, we're not really talking about eliminating the loans but making it more difficult for families with annual incomes over $30,000 to get those loans. So we are really not talking about cutting out the loans to the poor kids as such. Isn't that correct?

Hughes: But in the case of the GSL program, if you use an income ceiling, say, of $30,000, look at a family with an income of $35,000 sending two students to the University of San Diego. The cost next year at USD will be about $8,000 per student for room, board and tuition. To send two students to school, and that's not uncommon, you have a $16,000 out-of-pocket cost. Now the students rightly should earn some of that income themselves, and they do — about 60 percent of it. So the arbitrary income ceiling of $30,000 for a family with two kids in a private institution doesn't make a whole lot of sense. A program that is need-based is justifiable; to set an arbitrary ceiling on that program because it relates somewhere or other to average income, in my opinion, does not make sense.
Q: You have expressed optimism about the congressional atmosphere on the future of aid to higher education. What kind of an agreement do you expect between Congress and the administration?

Day: I don't share the sense of optimism because of the 11th hour passage of a continuing resolution. I think Congress is, as our Legislature is, slowly putting a toe into the zero sum problem of fixed resources and increasing expenditure. And I'm not at all persuaded that the public understands the importance of this occasion among the various public activities that public funds currently support. I'm concerned that when it gets to a zero sum problem, one essentially compares apples and oranges in weighing higher education against aid to the aged, handicapped, prisons and so forth, state or federal. And one can adduce arguments for cutting back education which one can't use in other areas, so higher education may come out behind. But one has to take a longer view of education, not an immediate ground. It is the long-term interest of the country, in the generation beyond current defense concerns, beyond foreign relations concerns, that justifies the continued support of higher education.

Q: I get the feeling that you believe that the ultimate compromise will lean much more towards the administration proposal than where we are today.

Day: That's my concern. I'm much more worried, frankly, about the Legislature in this same regard. The Legislature has a constitutional requirement of a balanced budget, so its zero sum is much more immediate.

Q: Dr. Hughes, where do you think Congress and the administration are going to go?

Hughes: My concern has been that there would be a sudden total withdrawal from some of the programs, such as the grant program which affects the state scholarship program. I am more optimistic than I was, but I think anyone looking at that picture today has to agree that there will be, if not a rapid withdrawal, then gradual withdrawal of public investment in higher education. We were asking for time, and I think we're getting time. I think it behooves private institutions like USD to look at different kinds of financial aid models than we operate with currently if we are going to talk about the same enrollment level that we have now. We're doing that as fast as we can.

Q: Do the public-supported schools feel the same way?

Atkinson: It's a very complicated situation. You have heard me say this before, but 1981 was the peak year for the college age group, which has been on a steady increasing curve. Starting in 1983, the country as a whole is going to have a 22 percent drop in the number of college-age students in a 10-year period. In Michigan the drop is going to be 35 percent, and in northeastern parts of the United States its going to be 30 percent. California isn't going to have that kind of drop, maybe 5 or 6 percent, and Southern California may even show a little increase. But there absolutely is going to be a disaster in the private college area.
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Q: What I hear you all saying is there is less taxpayer money for education at both the federal and state levels. At the state level, other jurisdictions faced with this have gone to a fee system — cities, counties. Do you foresee an increase in tuition — or, as it is euphemistically called at some of institutions, student fees — as a way of making up for some of the loss of revenue?

Day: It's an obvious way, of course. I think my board of trustees currently is opposed to tuition, but over three years or so I believe the students themselves have moved a great distance in their opposition to tuition. The student leadership on my system of 19 campuses still is officially opposed and there is a very effective lobby against the consideration of tuition in the current legislative session. Yet we've just held student elections on my campus and the people elected are not nearly as strongly opposed to tuition; some of them are outright in favor of tuition. We've had an increase in fees this year and face another increase, the amount of which is still to be determined because of problems about the coming year's budget. The question of tuition or fees is a semantic question which has enormous emotional impact, but, from my point of view, it is a distinction with no difference. Money is all green, and frankly, I find it ironic and strange that students would support an increase in fees to support the health center but will resist any hint of money which pays for faculty to teach them. I understand the philosophical point that the state ought to pay for teaching. I support that as long as you can get it, but if
"We must send out the message to freshmen and sophomores... that much more is expected of them in terms of their high school education."

one is faced with choices of cutting back the faculty or imposing tuition. I think the students are beginning to recognize that they may have to keep their education.

Atkinson: I always find it rather humorous that the state of California thinks it doesn’t have tuition. We do have tuition; we just don’t call it tuition. This coming year it’s going to cost typical student, in fees alone, about a $900 per year. Call it what you will, we charge a pretty good hunk of money to spend a year at a UC campus.

Q: Then would I be correct in saying neither of you is opposed to the concept that the user should perhaps pay a higher share of the cost of education?

Atkinson: No. I’m opposed to it. I think the greatest thing the state of California has going for it is the opportunity to go through a first-class institution, through four years of college, without having a tuition barrier. If you look at the growth of productivity in the United States in the last 40 years, the driving component of that growth is not simply capital investment, but a whole range of things. Two of them are the education of the working force and the investment made in new knowledge, research and development. This country has prospered well by an investment in education, and the state of California has prospered well. And I think for the long-term financial viability of the state, to draw industry here, to maintain this as a vital state in terms of its economic base, we’re a lot better off minimizing the cost of public education for qualified students.

Q: I’m sure the private schools would agree with you.

Hughes: Each private school has a different point of view. I’m sure. My own view of the issue of tuition in the public sector is that I believe very strongly in the concept of public education. That’s my background. Yet in an era of scarce resources, is this subsidy to a student at a public institution warranted when there is no need? Interesting figures were drawn between the entering classes at UCLA, a public institution, and USC, a private one. Average family income at the entering class at UCLA was higher than that of USC.

Day: I agree with Dr. Atkinson. My concern is that I think that we are reaching a stage in California where the history and the tradition of no tuition is going to be re-opened as a public policy issue. The psychological or verbal box that I feel myself in is that I don’t think that it is anymore possible to address that in the abstract. The differences between an open sum, or growth, problem and a zero sum, or declining, problem is that in the growth era one can get away from choices, but in the zero sum era one must make choices. So it is not an abstract question whether tuition-free is good. Of course it is good. It’s not an abstract question of whether the state ought somehow to make that possible. Of course it should. The question is if the state as public policy chooses to cut back the state contribution to education, expressed in faculty, or fill that in with some money from the students. If you are going to educate students you must have the faculty. The question is who pays for it. If the state is going to withdraw from that, then a lesser evil to me is to consider filling it in from non-state resources.
Q: There is one other alternative. If there is less public money and you don't want to impose tuition or a fee, perhaps you have the alternative that we may have too many colleges educating too many people who don't need it or don't deserve it, and that this whole concept of free or easily available higher education for everybody has gone too far. Maybe some schools should close. There is no sacred right to remain open.

Atkinson: I'm not arguing that they should remain open. I think there has to be a contraction. For the last 10 years we've seen a real contraction in the funds available to support education. I know everyone thinks we can always find cuts, but things have become very lean in the UC system. And I'm very distressed that, for example, we do not have the equipment necessary to provide an adequate program in instruction for young people in electrical engineering and computer science. Visit a Japanese university, or a German or French university even, and their level of instrumentation, equipment and capability of instruction is better than ours. They don't educate the proportion of students, but if you compare the quality of education we provide to the top 10 percent of our students with other countries, ours has been slipping very badly. We are not producing the quality of product that this society needs.

Q: Maybe if we stiffened our entrance requirements a bit and kept the level of the entering students a little bit higher, we could do a better job.

Atkinson: I could not agree with you more. I think the University of California has not been setting high enough entry requirements, and as a result we've been sending a message to high school students that they need not take three or four years of mathematics, or four years of English, or the like. I hope we correct that fault very soon. We must send out the message to freshmen and sophomores in high school that much more is expected of them in terms of their high school education.

Day: I think you're tying together two things which are not necessarily tied together. Increasing the standards of performance required of our students is a thing anyone would subscribe to who thinks about the problem. It doesn't save money; it doesn't reduce the number of students who are in the universities or should be in the universities. It increases the input to their education and thereby betters the output. But by the California master plan of higher education, UC takes the top eighth of the students. CSU takes the top third. The quality of the education that we give depends upon the students' preparation and upon our ability to give it, on research, instrumentation and all the rest of it. However, the number the who are getting educated, and the fraction of the populace who ought to be educated, are a different question, a public policy question. If one wants to change the master plan and say that the University of California should no longer take the upper eighth of students, but should take the upper 16th, that's a different thing. I find it ironic that people who seriously propose that we should give higher education to a smaller percentage of the citizens are almost invariably those who have benefited by public
"A program that is need-based is justifiable; to set an arbitrary ceiling . . . because it relates to average income, in my opinion, does not make sense."

education. It’s just as true now as it was with Jefferson that the educated citizenry makes a better country. I wouldn’t argue that we should cut back the opportunity. I would argue that we should increase it, and in fact, if we don’t we are going to have terrible turmoil in this country.

Q: I think what our questions were driving at was that a realignment is coming in education and you say it would not save money because there would be the same number of students, but it could.
Day: It will cost more money because you’ll have better education with better equipment. That’s what Chancellor Atkinson was talking about.

Q: You teach remedial English. Over 25 percent of your students take remedial math. Wouldn’t they be better placed in the city colleges, where it costs a lot less to educate them?
Day: That’s just putting a time shift on the problem. If 50 percent of our (Continued on C-7, Col. 5)
entering freshmen do poorly in reading or writing, we give them remedial English under a special appropriation from the Legislature. I agree with your basic question that this might be done more efficiently in a community college. It's probably more efficiently done in high school, or in K through eighth grade. But you have a public policy question with those students who are graduating. You either do something about them or you flush them. In China they chop them; they said all students caught in the Cultural Revolution were out. This country hasn't chopped students who have poor preparation. We have chosen to try to educate them, but that doesn't address the fundamental question that, as we bottom out after 10 years and demography starts rising again, should the percentage of the population of the United States getting higher education stay where it is now or increase? I put it to you that it is in our interest to educate more citizens.

Q: Have you noticed any improvement in the preparation of your students?

Day: I think it's a little early to see the effect of the competency-based exit from high school. It has only been used this past year and it has very few teeth. I think there is a growing awareness that we have to do something in K through 12. That impacts on me enormously, and I'm sure it does on Dr. Hughes, because we are running colleges of education. That means we have to train teachers going into K through 12 to go back to the basics. We have to train school boards to get out of certain non-educational things and to support the teachers.

Atkinson: I agree totally, but I have a feeling that a lot of changes are beginning to occur already. There are major problems in the K through 12 system. Just the recruitment of mathematics and science teachers in the junior colleges and high schools is an impossible situation. We're not providing the incentives to draw people in. On the other hand, I think there is a real awareness now on the part of students and parents, and in turn counselors and teachers, that education is much more important than it was in the past and that is being reflected in terms of improved preparation. For the first time in 18 years the SAT scores — the student aptitude test scores, which are a pretty good sample of performance for a high school graduate — showed an upturn this year.

Q: As you look at students on campus today, and those of five years ago or 10 years ago, what do you see now that you didn't see then?

Day: I think the students are much more concerned with job-related education and training than they were in the late '60s and '70s. I also detect a new edge to student concern that also reflects from potential employers and the world that they want to understand things more, rather than simply drift through a business curriculum, an engineering or education curriculum, or what have you. They don't want just pure training; they appreciate education. And today's students understand the difference, in my judgment.

Atkinson: That fits my view of things very well. When I first arrived here I met with many groups, and the image of UCSD held by most of them was one of the late '60s, early '70s, — radicalism, students marching through the campus and the like. That world just doesn't exist any more. The students are extremely hard working. If anything, I think that at times they are a little too career-oriented, but the commitment to a solid education now is quite impressive. I think some have been short-changed in terms of their preparation at the university and that's unfortunate.
Q: How are minority students doing?
Atkinson: At UCSD our minority students are doing extremely well. If you look at minority students admitted through the normal admissions process, meeting the standard high school course requirements and so forth, those students at the end of four years will be slightly behind the student body as a whole in terms of the percentage graduating. By the end of the fifth year the percentage graduating among minority and other students is virtually the same. But we also take many other minority students who haven't met the UC entry requirements and they have a much tougher time. The message that I try to get out to minority students and their families is that they should really try to be sure that in their high school years they are meeting the UC entry requirements and enter the university system with that background of course work, because if they do, the evidence is they are going to do very well.

Q: Are you admitting as many as you would like or as you feel that you should?
Hughes: The answer is no, in both cases.

Day: I think, though, that we have pursued it vigorously in the last couple of years. There is one source of continued problems which we probably all share. In the Hispanic communities, of which there are several, the percentage of students who graduate well from high school is much smaller than other student groups, including other minorities. Why that is I don't really understand. This translates into a problem in finding an equitable or reasonable number of entering Hispanic students, both those who are meeting the normal entrance requirements and those who show some possibility even though they may not meet the normal entrance requirements. The numbers simply are not available; they don't apply when you go to talk to the students, the families, the high schools.

Q: Does it trace to the shortage of minority teachers?
Day: Yes, and I think, particularly in education, we are very sensitive to that.

Q: How would you evaluate the health of higher education in San Diego?
Day: I think the people in San Diego should recognize, as I think you do by having us here, that San Diego, while a very populous area, is blessed with a very good higher education community. It has variety of top-flight universities and colleges which are complementary and work well together. This is taken for granted here. In my experience, if you come from Eastern — New York area, Boston — or Midwestern big cities, there are lots of different institutions which in a friendly way kind of trip over each other in the minds of the people.

Atkinson: I agree totally. We do have a strong group of schools in the San Diego area, although I would say to the citizens of San Diego that they should begin to look at their tax base and the population base of this area and try to determine whether their level of support in terms of state funds is appropriate to that tax base and population.
Q: Is there a discrepancy?
Atkinson: I'm not going to analyze the statistics for you now, but this is the second largest city in the state. There's a huge population base here. It's growing, and the quality of growth that occurs here is going to depend very much on the quality of the universities and the education and other opportunities that the universities generate. This area now has the second fastest high technology growth rate in the nation, next to the Silicon Valley, which is still first. That is in large part because of what the universities in this area can do. And if the universities are not strong and not healthy and not drawing talented students and giving them absolutely first-quality education, so that the young engineers, the young computer scientists, the young molecular biologists who flow from the universities go out and make that contribution to a high technology development area, it's just not going to occur. The reason the Boston area did so well was because of Harvard and MIT. The reason that the Silicon Valley-greater San Francisco area has done so brilliantly was because of Stanford and the University of California. There's a tremendous shortage now in the engineering fields, particularly electrical engineering and computer science. The state must do something to address that question, and I'm talking here about the UC system. One approach could be simply to enlarge the engineering schools in Northern California, Berkeley, or in Santa Barbara and at UCLA. But I think that would be a problem for the San Diego area, because if you look at the realities of the situation, you don't simply import engineers from Berkeley or UCLA into the San Diego area and meet your needs that way. The production of quality students here and the interaction that occurs, the whole flow of activity, enriches this area in a very dramatic way, so someone has to be arguing that while we want strong schools in engineering at UCLA and Berkeley and the like, it's very important to see a strong engineering program at UC San Diego.
COLLEGES: Too Much Expansion?

Continued from First Page

out of a vast array of courses—virtually without penalty. And almost anyone can participate. To be admitted to a California community college a student must have a high school diploma or simply be 18 years of age and be able to “benefit from instruction”—a policy that many California educators proudly admit has been interpreted quite liberally in recent years.

But what is perhaps most attractive about community colleges is that, with the exception of nominal charges for a variety of non-academic services and occasional fees for purely “recreation” or “hobby” programs, the courses are free.

The cost to the state of providing so many different kinds of educational experiences to such a wide variety of students has been enormous. This year alone, California is expected to provide its 70 community college districts with about $1.5 billion in state revenues—the fifth-largest item in the governor’s budget and more than is spent on either the University of California or the California State University systems.

While such expense in a period of budget restraint may seem excessive, what may be even more troubling are indications that the students who take advantage of California’s free system of community college education may not be getting all that they bargained for.

Traditional Goals Not Being Met

Although surprisingly little research has been done on two-year colleges, the few studies that have been completed suggest that the traditional goals of the community college—providing the first two years of undergraduate study and training for jobs—are simply not being met.

Today only 6.6% of all community college students transfer to a four-year college, according to a recent report prepared by the chancellor’s office. Yet, the report argues, those figures disagree misleadingly because they do not take into account the large numbers of students who never intend to go on for advanced training and those who are the so-called reverse transfers, the older students who already hold BAs or more advanced degrees.

Moreover, the figures vary dramatically from district to district. In Los Angeles, officials say, only about 3% go on to four-year colleges, whereas the Long Beach district reports that at least 17% of its students transfer to the Cal State system alone.

In vocational programs facts are equally hard to come by, simply because most community colleges do not maintain records on their graduates, but another study completed at the University of California in 1980 found a poor record of placement of both graduates and dropouts. Perhaps surprisingly, all have been called “upper level” vocational programs—accounting, computer programming and electronic technology.

In its study of community college education last year, the California Postsecondary Education Commission, which advises both the governor and the Legislature on education issues, concluded that a minority of community college students complete the programs their institutions offer. About one-third enroll for only one term. Fewer than one-fifth graduate or are still enrolled by their third term (in two-year programs). And many complete only one course.

The fear that the mission, as well as the cost, of community college education may have grown out of control was perhaps best expressed recently by David W. Breneman, a senior fellow at the Brookings Institution in Washington, who just completed a three-year study financed by the Ford and Carnegie foundations.

“The (two-year colleges) really don’t have a soul of their own,” Breneman said. “In their haste and fervor for putting courses into prisons and storefronts, for adults and remedial education... they have lost sight of their academic focus. With no exceptions, they are trying to do everything for everybody, and there is growing concern at the state level that they’ve become a kind of monster that just keeps growing.”

Some community college leaders take strong exception to such criticisms.

“It’s true we don’t know very much about what many community college students drop out, Henry Samman, president of San Francisco Community College District, said in a recent interview. “But if you study the problem, you wouldn’t learn much. “Few students want to discover why they drop out because it can be an embarrassing subject, he said.

Moreover, he says, the reasons students don’t transfer to universities is not a problem of the community college; rather, it is representative of the shortcomings of four-year college. “What do you do with a D.A. in history these days? You get a master’s and a Ph.D. And what do you do with a Ph.D. in history or sociology or philosophy? You certainly don’t get a job.”

Please see COLLEGES, Page 17.
Fear of 'Monster' 
Bloom Lost 
for 2-Year Colleges?

By ANNE C. ROARK

Another familiar California expression—"Whatever turns you on..."—might well have been coined to describe the two-year colleges of America's community colleges.

When one turns a fancy to such solid subjects as computer science or auto mechanics, or such exotic pastimes as decorative paper hanging, anger management or creative divorce, there is bound to be a course in one of the country's 1,070 community colleges to satisfy those needs.

If enrollment is any measure, community colleges are a smashing success. Nowhere is that more apparent than in California, where the baptism of fire for the two-year college system in the United States has witnessed a fourfold increase in enrollment in the last two decades. The nearly 1.5 million California students who attend one of the state's 107 two-year institutions represent nearly one of the nation's total community college enrollment and 10% of all students attending college in the United States.

Too Much of a Good Thing

But many state legislators and political leaders are beginning to agree that the growth of the California community colleges may be a classic case of too much of a good thing.

As many government programs that are now viewed as excesses of the 1960s and 1970s, the community colleges in California and elsewhere are under fire from state officials as well as some educators for having done too much for too many people—at a cost taxpayers are no longer willing to pay.

According to the state chancellor's office, which oversees California's two-year college system, nearly three-quarters of the state's high school graduates who go on to college enter local community colleges. While some of those students go with the intention of transferring to four-year universities, most others—over two-thirds—seek vocational training in careers ranging from cosmetology (hairdressing) to machine technology.

Not Simply Poor

The students at community colleges today are not simply poor or ill-prepared high school graduates who may not "make it" to the university, said Rudy Meloni, president of Gavilan College in Gilroy. Many are middle-class men and women who already have college degrees who want to learn a foreign language, farmers who want to learn new cultivating techniques, housewives who want to brush up on forgotten business skills and senior citizens who seek education as a way to pass the time.

According to the state chancellor's office, one in every 12 adult California residents is attending a community college, and one in two adults in the state will have enrolled in a community college at some point in their lives.

Part of the attraction of the community colleges, according to students interviewed recently, is that, compared to most education programs, they are hassle-free. It is possible to drop in and drop out.

Available Options

"It is time to reassess," chancellor of the community college system says.

Offer of a college education for all members of the "community" was born, many educators agree.

By the mid-1950s, the idea of a "community" college had caught on, particularly in California, where towns and cities alike saw to see two-year colleges as a clever and inexpensive way of handling the educational needs of a massive influx of new residents.

So enthusiastically was the notion embraced in California and elsewhere that by 1960 (and continuing throughout most of the decade), public community colleges were opening at the starting rate of nearly one a week.

The real expansion in enrollment, many California educators agreed, came in the mid-1970s when many of the colleges, eager to keep growing and grateful for the largesse of their local citizens who had built beautiful new campuses throughout the state, turned to adults as their major new clientele.

To attract the new non-traditional students, colleges hired top flight public relations experts, many of whom had the finesse of big-time Hollywood movie promoters. They put up notices in employment agencies, handed out pamphlets at bridge parties, plastered signs on billboards and produced elaborate TV commercials. Coast Community College District went so far as to hold the "premieres" of a new course on interior decorating in the furniture section of a department store.

But the key to their success was the programs they designed—courses tailored to the peculiar needs of their communities. Thus, Foothill College with its beautiful suburban campus in the lush hills of Los Altos came to

Offer, along with traditional academic and vocational programs, courses in art and foreign language for European travelers.

For its artistic and cultural crowd, the San Francisco Community College District set up an art studio in a community center near the waterfront. The Los Angeles Trade Technical College designed auto mechanics and home carpentry courses to serve its working-class, inner-city population.

James Fitzgerald, president of Foothill, described the expansion this way: "It was the missionary zeal of the community college educator at work. Everywhere we went, we spread the word."

Indeed, he said, community college educators were like carpet layers who wanted to see their wears spread over every floor of America. "Community college educators want to see education filling every living room," he said.

Like much of what happened in California in the 1960s and 1970s, there seemed to be no end to the good fortune and success of the community colleges.

Then, Proposition 13 hit.

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Los Angeles Times

COLLEGES: Pressure for Cutbacks

Copied from 16th Page

Thousands of college administrators argue that prop-

osition restrict or offset the costs of their programs—

by lowering fees, curtailing courses or limiting enroll-

ments those who "need" or "deserve" a college diplo-

ma—could undermine the very concept of a commu-

nity college education.

"Fare the 'people's college' in the sense that the

proposition to us and tell us what they want and need," said community college administrator, who received a

warm applause of passionate and enthusiastic nods from his

colleges at a recent meeting of community college of-

ficers in Monterey.

"Not institutions are the place where local residents, no matter what their age, educational background or

socio-economic status, can go to find resources to make

their lives happier and more productive."

"Quality is right when they say we have not learned to say 'no,' but it is a lesson I'm not sure we will ever learn."

A "Distribution of Wealth"

The test of supporting California's free system of

education may be found on taxpayers, but it is impor-
tant to recognize who benefits most from that support, said C. E. McIntyre, director of analytical studies for

the stachanceller's office.

Whimany university students are from middle- and

upper-class families, a relatively large number of

community college students are from low-income fami-

lies. In fact, McIntyre says, taxpayer support of com-

munity colleges represents a "progressive redistribution of wealth." The system takes the wealthier people

in the state and redistributes the funds, in the form of

educations, to the poorer people of the state.

Community college leaders admit, however, that it may be time to review the mission of their insti-
tutions for no other reason than to make certain that

what's being done is what the taxpayers want them to do.

Even if the financial conditions of the state were

"good," which they certainly are not, Gerald C. Hay-

ward, chancellor of the system, said in a recent inter-

view: "It is clear that there still may be a lot of charges"

"It is time," he said, "to reassess."

In the past

1979

However adamently community college educators

may defend their current practice of trying to be all

things to all people, that was clearly not the original

intent of a two-year college when the idea for such an

institution took shape in California at a Fresno high

school in 1910.

The early days, two-year institutions were known

as "trier colleges" or, in some areas, as "JUCOS" be-

cause their principal goal was to provide the first two

years of undergraduate training to students who, for

obscenion or other, could not attend a university.

But not until the 1940s, when President Harry S.

Truman commissioned a report on the future of higher

education (which reached the then--starting conclusion

that far more than half of the American population
could best from some form of college education), that the

idea of a college education for all members of the "com-

munity" was born, many educators agree.

By the mid-1950s, the idea of a "community" college

had caught on, particularly in California, where towns

and cities alike saw to see two-year colleges as a clev-

ner and inexpensive way of handling the educational

needs of a massive influx of new residents.

So enthusiastically was the notion embraced in Cal-

ifornia and elsewhere that by 1960 (and continuing

throughout most of the decade), public community

colleges were opening at the starting rate of nearly one

a week.

The real expansion in enrollment, many California

educators agreed, came in the mid-1970s when many of

the colleges, eager to keep growing and grateful for

the largesse of their local citizens who had built beauti-

ful new campuses throughout the state, turned to adults

as their major new clientele.

To attract the new non-traditional students, colleges

hired top flight public relations experts, many of whom

had the finesse of big-time Hollywood movie promoters.

They put up notices in employment agencies, handed

out pamphlets at bridge parties, plastered signs on bill-

boards and produced elaborate TV commercials. Coast

Community College District went so far as to hold

the "premieres" of a new course on interior decorating

in the furniture section of a department store.

But the key to their success was the programs they

designed—courses tailored to the peculiar needs of their

communities. Thus, Foothill College with its beautiful

suburban campus in the lush hills of Los Altos came to

It is time to reassess," chancellor of the community college system says.

"I'm not sure we will "
well as some educators for having done too much for too many people—at a cost taxpayers are no longer willing to pay.

According to the state chancellors office, which oversees Californias two-year college system, nearly three-quarters of the state’s high school graduates who go on to college enter local community colleges. While some of those students go with the intention of transferring to four-year universities, most others—over two-thirds—seek vocational training in careers ranging from cosmetology (hairdressing) to machine tool technology.

Not Simply Poor

The students at community colleges today are not simply poor or ill-prepared high school graduates who could not “make it” in the university, said Rudy Melone, president of Gavilan College in Gilroy. Many are middle-class men and women who already have college degrees: doctors who want to learn a foreign language, farmers who want to learn new cultivating techniques, housewives who want to brush up on forgotten business skills and senior citizens who seek education as a way to pass the time.

According to the state chancellors office, one in every 12 adult California residents is attending a community college, and one in two adults in the state will have enrolled in a community college at some point in their lives.

Part of the attraction of the community colleges, according to students interviewed recently, is that, compared to most education programs, they are hassle-free.

It is possible to drop in and drop

Please see COLLEGES, Page 10
Almost overnight the colleges, like many other social service agencies, had to change the way they did business. Under the restrictions of the 1979 property tax-limit measure, locally elected community college boards were no long free to gather up local tax dollars and disburse them with abandon. Although the state provided “bailout” money to keep the colleges afloat, there were immediate fears that state control would mean less money and less discretion for individual campuses.

There were other problems, too, many of which led taxpayers to wonder whether community college administrators were really in control of their institutions. Many districts faced heavy pressure from increasingly powerful teachers unions, some of whose members were becoming disenchanted with heavy teaching loads and what they perceived as an alarming decline in the academic preparation of entering students, particularly those who were immigrants or from disadvantaged minority groups.

Some community college districts, particularly those from cities, had to contend with trustees who used their positions on community college boards as a springboard to other elective offices. (Community college leaders are quick to recall, for example, that Gov. Edmund G. Brown Jr.’s first elected office was to the Board of the Los Angeles Community College District.)

And a few campuses had to cope with charges that at least some of their teachers and students had forged transcripts, concoctedphony classes and had been involved in more than their share of other academic scandals.

Although there has yet to be the public backlash or dramatic budget slashing that some community college leaders initially feared after the passage of Proposition 13, the state Legislature has made several budgetary changes recently, which have seriously limited the growth of two-year institutions.

This year, lawmakers authorized enough money for only a 2.5% increase in enrollments, despite projections for an increase of up to 8%. They also refused to pay the full cost of last year’s enrollment growth, which exceeded projections. They restricted and in some cases eliminated state funds for so-called recreational courses and other non-credit programs, which typically enroll large numbers of adults and part-time students.

At least a dozen campuses have begun to turn away students and lay off faculty members and other employees because of the cuts.

Borrowing in Barstow

Barstow Community College has fallen into such serious financial straits that it has had to borrow substantial sums from the state and reuse part of its property, which will be sold in order to pay off its new debts, Chancellor Hayward said.

At other colleges, he said roofs are going unrepai red, and broken equipment is not being replaced.

At L.A. Trade Tech, Joe Hoag, a 66-year-old religion graduate of UCLA who has been learning to repair diesel engines for the last five semesters, has complained to administrators and politicians that the equipment used to train students is so obsolete that it is almost useless.

“We’re so behind here that we can’t even work with the engines that are now on the road. . . . If students don’t have up-to-date equipment, how are they supposed to get jobs?” he said.

“Every day I come into my office and look at the (newspaper) clips and see another headline—‘Money Crisis,’ ‘Classes Canceled’—I just want to put my head down on my desk and cry,” Hayward said recently.

Deeper Cuts Feared

What concerns Hayward and other community college educators is that the current state fiscal difficulties will force even deeper cuts, which could dramatically alter the future course of community colleges in California.

There is considerable evidence that their fears may be borne out.

Although the major legislation authorizing the community colleges does not come up for consideration until next fall, the Assembly Ways and Means Committee has scheduled hearings in May to discuss two issues of vital concern for community colleges—their course offerings and their fee structure.

Perhaps the most heated discussions will turn on the subject of tuition. Persuasive economic arguments have been made in favor of charging fees for students who can afford to pay and providing government subsidies for those who cannot (California is, in fact, the last state in the nation to maintain a tuition-free community college system).

The California Postsecondary Education Commission has recommended that community colleges consider imposing fees and that they prepare a study on the issue.

by December. But students and many educators have continued to speak out emotionally against such a plan.

“If you start charging tuition, people will be left out of education,” said Debra Plot, who is studying hairdressing at L.A. Trade Tech. “That’s downright unfair in America.”

Whether tuition is imposed next year or not, the Legislature is expected to reassess its formulas for supporting credit and non-credit courses. For the first time, the
Administration Won’t Yield On Student Aid Cuts

(UPI) — Education Secretary James B. Bell said yesterday that the administration will push its proposed cuts in student aid despite resistance and predicted approval.

The administration’s proposed fiscal restraint includes $900 million in guaranteed student loan cuts and $1 billion in higher-interest loans.

Bell defended the administration’s proposals, saying they would only trim the program’s growth, and would stop aid to hundreds of thousands of students who do not need it.

“‘We think there are some reasonable cuts coming down the road,’ Bell said. ‘We think they’re quite moderate.’

He added at one point, ‘We think we’re still a bit too generous. We’re not emasculating the student aid program.’

The House Appropriations Committee already has voted to reject some cuts, and leading lawmakers from both parties have predicted the cuts will not be adopted. But Bell said the administration is sticking with them.

“We still want to get our changes through,” he said. “We don’t want to give up on them, because we think they’re right.”

He said the proposals are not dead because Congress “is facing some very, very stringent fiscal problems.”

Bell said that because of “alarmed, apprehensive and almost hysterical” reports about student aid cuts, “some students are making decisions not to go on to school, when indeed they could still afford to do it if all of our proposals were adopted.”

The loan proposals include dropping all 650,000 graduate students from eligibility and requiring a needs test of all applicants. Families with incomes over $30,000 must now prove need to get a loan.

But Bell said the loan program, which now helps 3.5 million students, would grow by 145,000 students even if Congress approved the cuts. The program now costs $2.5 billion; the administration estimates costs will rise to $3.4 billion next year without reductions.

Students dropped from guaranteed loan eligibility may receive 14 percent auxiliary loans, Bell said. The interest on those loans must be repaid while the student is still in school; repayment of the guaranteed loans is deferred until after graduation.
Crisis on the private campuses

THE FEDERAL government proposes a whopping 50 percent cutback in aid for college students in fiscal 1983. Private universities are in a quandary as they try to meet the looming financial burdens.

What it means is that many deserving students from middle- and low-income families will have to accept much less of an education than would be called for by their potential.

Tuition fees at top independent universities already are massive. The cost of a four-year bachelor of arts degree at Ivy League schools now is nearing $50,000, including tuition and subsistence.

West Coast schools are close behind. Starting in September, tuition in private universities in California will be boosted an average of 15 percent. A year's tuition at the University of Southern California will be $7,160, which, with all necessities, could reach a total cost of $46,000 over four years. California Institute of Technology's annual tuition will be higher, at $8,712; Stanford University, higher also, at $8,220; and the University of San Diego, somewhat lower, at $5,160.

USC estimates its students will be losing $18.2 million in guaranteed student loans and grants next year and $1.3 million in state student aid, if proposed budget cuts go through. These reductions come on top of drastic cutbacks already made in student grants and loans.

Private universities are forming task forces to see what can be done to combat their higher costs, their lower income and a dropping student enrollment. The future looks bleak.

At present, it is estimated undergraduate students attending private universities pay about two-thirds of the cost of their education. This compares to an average of one-fifth the cost paid by students at public institutions of higher education.

Students from all financial backgrounds are now attending both public and private universities. However, if the proposed federal and state fund reductions are approved, they will force a limitation of choice. Many of the nation's finest schools will serve only the wealthy.

Neither the independent schools nor this nation can afford to make great personal wealth an absolute requirement for admission to private institutions. Government aid to qualified students attending such schools should be increased, not cut back.
Colleges and universities across the nation are experiencing economic instability and the potential loss of academic quality as a result of inflation and what appears to be a planned and massive withdrawal of Federal support in higher education. Institutions are being forced to pass along increased costs to their customers--students--in the form of higher tuition; defer maintenance of buildings; create energy-saving programs; freeze hiring and/or limit salary increases; step up fund raising efforts; eliminate programs, both degree-oriented and community-service related; and are still feeling the erosive effects of inflation. Only the strongest and fittest are likely to survive in the next ten years. In the 1970's, 141 private colleges and universities closed, 47 merged, and 19 shifted from private to public control. Demographic changes play a part in the darkening picture, too: over the next few years, the 18-year-old population will decline 25%. Added to that decline in the college-age market is the impact of higher tuition--college costs have doubled in the past decade, resulting in drops in full-time enrollments. It is predicted that part-time students will outnumber full-time students sometime in the next few years.

IMPACT OF FEDERAL BUDGET CUTS

The Reagan Administration has proposed slashing the $6 billion student aid budget by about a third in fiscal 1983. Spending for Pell Grants would be cut by about 40%, dropping almost 1 million students from the rolls of the largest student grant program. (Pell Grants down from $2.279 to $1.4 billion; income eligibility would be lowered from $27,000 to $16,000.) The College Work-Study program would be cut 28%, from $528 million to $398 million, eliminating 250,000 student job opportunities. Three major programs--Supplemental Grants (SEOG), National Direct Student Loans (NDSL), and State Student Incentive Grants (SSIG) would be eliminated entirely. Some 600,000 graduate students now receiving Guaranteed Student Loans would be barred from the program and would have to borrow at higher interest rates. College groups say hundreds of thousands of needy students will be unable to afford to continue their education if the reductions are approved by Congress. The Administration has also proposed wiping out four small graduate education programs: the Graduate and Professional Opportunities program, which has provided fellowships for women and minorities; public service fellowships; aid to law schools that provide practical legal experience to students; and grants to help disadvantaged students prepare for law school.

In California, Reagan's proposal for the Pell Grants program would drop student aid funds to $96,406,940 compared to $160,678,227 in 1980-81, and would drop campus-based programs (SEOG, Work-Study, and NDSL) from $114,954,780 (1980-81) to $35,036,195.

IMPACT ON THE FUTURE OF HIGHER EDUCATION AND THE COUNTRY

Leading college and university administrators have responded to the proposed reductions in student financial aid by saying that they would bring sweeping changes to the country's system of higher education. Access to undergraduate education would be denied to hundreds of thousands of students, while others would be segregated along economic lines. John Brademas, president of New York University and former member of the House Committee on Education and Labor, has said that reduced Federal funds would "close the doors to college education for
many children of hard-pressed working and middle-income families," and would "create a two-tiered system of higher education, offering elite private education for the rich, and state and municipal colleges for everyone else." If the proposed cuts are made, he said, "American higher education will no longer be as democratic, varied, and regionally and culturally diverse as it has been." The president of Rutgers University said "We are moving from a system designed to educate those most able to learn, regardless of financial need, to a preserve for those who are best equipped to pay." Virtually everyone believes there will be drastic reductions in enrollment as a result of the proposed cuts.

Cuts in research funding will have the effect of reducing the number of research-oriented, research-produced faculty who teach in the sciences. The proposed elimination of Federal aid to libraries will have a marked and deleterious effect on accessibility of resource materials, and hits at a time when the cost of acquisitions has soared along with the increased need to keep pace with advances in scholarship.

Because the Federal funds have made choice possible for many of the students attending independent colleges, a sharp reduction of these funds would be followed by a shift of students from independent institutions to public ones--an estimated 15 to 20% shift within two years. This shift would cripple many independent colleges, for which a significant drop in enrollment would greatly diminish the private institution's major source of revenue--tuition; would create a compounded burden for public colleges and universities, already straining under State cutbacks, particularly in California; and would ultimately impact the taxpayer, whose taxes support public education.

The final impact of Federal withdrawal, however, is of enormous import to the future of the country as a whole and to our democratic form of government. Fewer enrollments today mean fewer lawyers, doctors, scientists, teachers, and artists tomorrow, and a consequent decline in the quality of American life. When students drop out of higher education, the student experiences limited occupational entry and impeded life processes; the nation experiences a loss of talent and a waste of limited educational resources. This, in turn, has a tremendous effect on the economy: the college graduate has earning power significantly higher than that of a non-graduate, pays more taxes, is a more active consumer, is more likely to own property, more likely to start a business, more likely to generate employment, more likely to make charitable contributions.

Most important of all, the college graduate is an informed citizen contributing to the betterment of society. A democracy can work only with an educated, enlightened citizenry. Higher education is not a social welfare program; it is a bona fide and ultimately measureable investment in the future of this country.
Washington

Student-Aid Cuts: A Stunning Reversal of Policy or a Reallocation of Resources?

By JANET HOOK

College students should rely more on loans, ask their parents for more money, and work longer and harder to pay their tuition bills.

Those assumptions underlie President Reagan's proposals to slash federal spending for student assistance by one-third in the coming fiscal year—and they signal a significant shift in federal student-aid policy.

College leaders see that shift as nothing less than a reversal of 20 years of federal policy in higher education. Stunned by the magnitude of the cuts proposed by the President for fiscal 1983, campus officials and students have accused the Administration of abandoning the federal government's longstanding commitment to insuring students' access to higher education regardless of their financial circumstances.

Administration officials reject that contention.

Education Secretary Terrel H. Bell has denied that there would be "wholesale removal of students from access to higher education" under the proposed cutbacks.

David A. Stockman, director of the Office of Management and Budget, suggested that where critics of the President's stu-
dent-aid budget see a glass half-empty, the Administration sees a glass half-full.

"Yes, we believe that some of these higher-education programs need to be re-
targeted," Mr. Stockman told the House Budget Committee. But even if the proposed cuts were made, he said, more than 40 per cent of all college students would receive some federal assistance—up from 13 per cent in 1970 and 3 per cent in 1960.

"It would be desirable, if resources were unlimited, to provide support for all 13 million students," Mr. Stockman said. "But it's just not possible. The resources aren't there. So what we must do is ask, with the resources we can reasonably make available, where can we target them?"

No Grants for the Middle Class

In deciding how to allocate those limited resources, the Administration says that the federal government can no longer afford to subsidize middle-income students with direct, nonrepayable grants. Those students and their families can and should pay more toward college costs than they have in recent years, officials say.

And pay more they would, under Administration proposals that would make subsidized loans the primary source of federal aid to middle-income students—and at increased cost to borrowers. The President would eliminate Supplemental Educational Opportunity Grants and State Stu-

Continued on Page 14, Column 1
ment Incentive Grants, and restrict Pell Grants to students from families earning less than $18,000 a year. This year, Pell Grants were awarded to students from families earning as much as $27,000.

Those proposed reductions in subsidies to the middle class would reverse a trend toward increasingly liberal eligibility standards that dates back at least to 1978, when legislation was passed to allow middle-income students to receive Pell Grants and other forms of aid previously restricted to poorer students.

One element of the Middle Income Student Assistance Act of 1978 has already been rolled back. Undoing provisions that opened the Guaranteed Student Loan program to all students regardless of income, Congress last year barred students from families earning more than $30,000 a year from borrowing unless they could demonstrate financial need. The President wants to tighten eligibility even more this year.

Administration officials contend that the growth of federal student aid has undermined the role of students and their families in paying for college.

"We believe that the primary responsibility for the financing of post-secondary education belongs to the parent and student," Edward M. Elmendorf, Deputy Assistant Secretary of Education for student aid, said in an interview. "That's a traditional role that we feel has been eroded by the rapidly growing increases in student aid over the last four or five years. When the student and family don't have the ability to pay, the federal government needs to take a role to provide access to some form of postsecondary education."

College officials contend, however, that federal policy in recent years has been based on the view that middle-income students' access to higher education has been threatened by the rising cost of attending college.

"How you define 'lower income' is very important when tuition, room, and board costs are up around $12,000 a year," said Frank Rhodes, president of Cornell University.

Administration officials counter that middle-class students would not be thrown back entirely on their own resources because they would still be eligible for loan and work subsidies.

"I wouldn't doubt that [middle-income students] need some form of assistance," said Mr. Elmendorf. "I just question whether they need grants. They are going to have to rely more on self-help programs."

Pell Grants Smaller

The effects of the proposed cutbacks would not be limited to middle-class students, however. Although Pell Grants would be restricted to the neediest students, those grants would be smaller, even as inflation pushes up the cost of attending college.

And all students would have to pay more for guaranteed loans. The Administration wants to double the initial fee paid by borrowers when they take out loans, and to raise interest charges from 9 per cent to market rates two years after the borrower leaves college. Borrowing would be even more costly for graduate students, who would be barred from receiving Guaranteed Student Loans. Instead, they could borrow only under an auxiliary federal loan program—at 14-per-cent interest.

Administration officials contend that, despite dire predictions from critics, the fiscal 1983 budget would still provide enough aid to get needy students into college—although not necessarily an expensive private institution.

"The federal role certainly has to be one that provides access to some form of postsecondary education," said Mr. Elmendorf. "That does not mean that students can have the breadth of choice to go where they wish regardless of cost or ability to pay."

That limited view of the federal role, critics say, would reverse the progress made in recent years toward providing poor and middle-income students with enough aid to attend more costly private institutions.

"If a student is able only to go to the community college down the road, he really is denied opportunities that have been available till now," said President Rhodes of Cornell.

"It would change the face of American higher education," said Charles B. Saunders, Jr., of the American Council on Education. "It would segregate the college population by income levels."

More generally, the Administration's critics challenge the claim that students can get by with less federal aid if they just work harder, tighten their belts, and borrow more.

With unemployment running high—and College Work-Study grants slated for cuts—it is unrealistic to assume that students can significantly increase their earnings, critics contend.

College officials question whether students and their families can afford the increased debts they would face if they were forced to rely more on loans—particularly under the stiffer terms proposed by the Administration.

According to the National Association of Student Financial Aid Administrators, the proposal to require students to repay loans at market rates two years after graduation—even if market rates dropped to 14 per cent—would increase the debt of a student who borrowed $10,000 by $2,555, bringing total amount repaid to $17,755.

Graduate students who borrowed $25,000 in auxiliary loans would face repayments of about $3,500 a year in interest alone while they were still in school.

Even if, as the Administration contends, graduate students could afford such payments, critics fear that the loans would not be available to all students. The relatively new program is operating in only 23 states so far, and loan officials report that banks have been reluctant to make such loans to graduate students.

Department of Education officials
Large Expenses for Sports Programs Lead More Colleges to Seek Funds from Donors

But some educators are questioning the influence of contributors on intercollegiate athletics

By LORENZO MIDDLETON

The University of Notre Dame, which has one of the most successful intercollegiate athletic programs in the country, was shaken about two years ago by the realization that the operation might soon be in the red.

Although Notre Dame's basketball and football teams together earned more than $4-million a year from ticket sales and concessions, the profits were being consumed by rising costs and by other sports that produced no revenue.

The university's net income from athletics, which reached a record of almost $1-million in 1975, fell to only $29,000 in academic 1980-81. The addition of five women's varsity teams since 1976, in order to comply with federal anti-sex-bias laws, has been responsible for a large part of the drain, university officials say.

The loss of the extra revenue from sports, which had been used to help finance several nonathletic construction projects and academic programs, was a setback for the entire university, they say.

So Notre Dame, like many other colleges and universities these days, began an all-out effort to make its sports enterprise economically viable.

Fewer Sports, Smaller Teams

At some institutions, the increasing expense of athletic programs has led to drastic cost-cutting measures, including the elimination of some sports.

Others have reduced the size of their teams. The number of men participating in National Collegiate Athletic Association sports declined 7.6 per cent from 1977 to 1981, according to a recent report by the N.C.A.A. (The report also noted that the number of women participants increased by 1.3 per cent.) But cutting back athletics at Notre Dame is unthinkable.

"Notre Dame without a comprehensive athletic program would seem to be almost a contradiction in terms," says a university brochure. "Without athletics the university would not be the same as we have known it. The camaraderie of the various teams, not just football, contributes to the famed Notre Dame spirit."

So, instead of trimming the program, the university decided to try, for the first time in its history, to raise money for athletics from outside contributors.

The fund-raising campaign began last fall with the establishment of an "athletic endowment fund." Unlike traditional "booster clubs," which seek yearly contributions, the endowment fund has the one-time goal of collecting $10-million. Income from the endowment's investments will be used to help pay the costs of operating 14 men's and women's varsity teams and 49 club and intramural teams that do not make money on their own.

Average Donation: $246,000

Notre Dame's fund-raising effort is an example of the increasing importance of outside financial contributions to the success of college and university athletic programs. Such support is as important to public institutions as to private ones, because most states provide little or no money for intercollegiate athletics, expecting them to pay for themselves.

In its last study of the financing of athletic programs, the N.C.A.A. reported that in 1977 institutions with Division I football teams received an average of $246,000 in private donations. That sum amounted to 10 per cent of the colleges' total athletic budgets, compared with 5 per cent in 1965.

A more recent study conducted for the N.C.A.A. by Mitchell H. Raiborn, a professor of accounting at Bradley University, is to be released in May.

There is evidence that donations to college athletics have increased substantially since 1978.

A recent survey by the Omaha World-Herald, for example, found that 58 universities with major football teams had raised a total of $77.7-million in fiscal 1980-81— an average of $1.34-million each.

A new fund-raising drive at the University of Nebraska at Lincoln brought $1.1-million in donations and pledges in 1981—more than double the amount of contributions reported by the university the previous year.

Athletic officials at Nebraska, and at colleges and universities all over the country, say the need for increased contributions became pressing in the late 1970's as they began to comply with federal requirements for greater athletic opportunities for women.

"Historically the football revenue has supported the full athletic program, but the drain on the football receipts created by the inclusion of women's athletic programs was more than could be managed without seeking other sources of income," says D. B. Varner, a former chancellor of the University of Nebraska and now chairman of its fund-raising foundation.

While many sports programs have raised some money in the past through booster clubs, the activities of many of those organizations are now more professional. Some are joining universitywide fund-raising organizations to reduce duplication of effort and to increase the donations.

The major challenge for many fund raisers is to persuade prospective donors to hand over large sums of money in exchange for little more than a tax deduction and a bumper sticker.

The growth in popularity of college football and basketball over the years has made it more and more difficult to provide the traditional perquisite of the large contributor—guaranteed seats in the best section of the stadium.

Wisconsin's Goal: $1-Million

The fund-raisers say the most they can promise a potential contributor these days is the continued existence of an athletic program.

"Our aim," says David J. Spengler of the University of Wisconsin at Madison, "is to sit down and to point out to prospective donors or existing donors that if they enjoy watching our athletes play, and they want to continue to watch them every Saturday, they will have to give more support to our program."

Mr. Spengler is a Wisconsin alumus and a former banker who was hired in November as full-time athletic-development officer at the university. He says he believes that argument will persuade Wisconsin's supporters to raise their annual contributions to the athletic program from the present level of about $250,000 a year to $1-million.

As more and more colleges turn to outside donors for help in raising money for their athletic programs, educators around the country are beginning to question the influence of such donors on the programs.

Many university administrators have expressed concern about the inflation of coaches' salaries since the announcement in January that the new coach at Texas A&M University would earn about $246,000.
Sports

Continued from Preceding Page

$287,000 a year—most of which will be paid by alumni and booster clubs—and the report a few days later that the University of Nebraska boosters' club was raising $100,000 to supplement the salary of the football coach there.

Concern about the influence of outside supporters has been reflected in recent findings of the N.C.A.A.'s infractions committee. Over the past year, nearly all of the institutions that were put on probation committed violations involving "athletic representatives"—a euphemism for boosters—who had provided improper benefits to athletes or recruits.

No Booster Club

According to officials at Notre Dame, the newly established endowment fund—which will accept contributions only from former athletes at the university—"will make it unnecessary to consider seriously the formation of a booster club or similar organization which at some schools have been so prone to irregularities and abuse."

Some athletic officials believe, however, that using a booster club to funnel donations into the athletic programs is the best way to prevent abuses.

"Normally, when you have people who get a program in trouble, it's boosters who have acted on their own that nobody has any control of," says Andy Miller, director of the Seminole Boosters Club at Florida State University. "I think it's unfortunate that the organized boosters' club is getting the rap for the action of a few individuals."
The University and the Schools:

This is the twenty-first of a series of occasional papers to be published in this journal by the American Federation of Teachers. The views expressed in these articles are intended to provide a forum on matters of importance to all segments of the higher education community.

In a little noticed address before a Rotary Club in Charlotte, North Carolina, last summer, Samuel R. Spencer, Jr., president of Davidson College, took on what he called the "fool's errand" of finding ways to make the schools "better." He offered some worthwhile suggestions: "an insistence upon structure and substance in the curriculum," so that it is designed to guarantee for every student a "base" of skills and knowledge; "an unswerving attention to quality" in teaching, by rewarding it and sustaining it in a secure school climate; and "instruction tailored to individual needs." These are recommendations of special importance to the academy.

What is remarkable about this address is that its recommendations for improving the schools were prefaced by a cogent defense of their accomplishments. From the perspective of a century of history, Spencer said, one cannot but take pride in the condition of American public education. Yet, we do not generally take pride in our schools today, because the universality of education and its underlying quality have generated expectations of unending progress. Spencer shrewdly contended that the schools should not be judged against impossible standards arising from past achievement:

"Logic would have it that the level of satisfaction with social change would increase in direct ratio with social progress. Not so . . . As someone said recently, it used to be that doctors couldn't cure anything; now we expect them to cure everything, and we complain about them when they don't."

"The same thing has happened in public education. Less than a century ago, the most rudimentary schooling was still unavailable to thousands of American children. Public high schools did not become universal until well into the twentieth century . . . In a few decades we have built the extensive and impressive system which we now take for granted . . ."

Improving that system, Spencer pointed out, is rendered more difficult today because the beneficial educational impact of community, church and family is attenuated by the erosion of these institutions. Moreover, the profound changes brought on by the civil rights movement required a lengthy period of adjustment which is still under way more than twenty years after the Supreme Court outlawed segregation. Dissatisfaction with the public schools, Spencer concluded, must be tempered by a recognition of unequalled progress in the last century.

It is refreshing for an academic leader to find something positive to say about the nation's schools, and perhaps it is even courageous. Spencer's concentration on the subject was apparently so unusual for a college president that he found the need to "justify" it by observing that "education is a continuum, each of whose units must be concerned about what happens in the others."

The notion that colleges and universities have a stake in the public schools is enjoying greater currency than ever. It received widespread attention at the 1980 national conference of the American Association for Higher Education when Ernest C. Boyer pointed to the void he perceived between the colleges and the schools. The university's disregard for the lower grades, he maintained, impedes the nurture of the academy itself. The reciprocal process of American education, Boyer insisted, is fragmented and distorted when professors ignore developments in the elementary and secondary schools: "It's such a simple point—the need for close collaboration—and yet in recent years this school/college relationship has been essentially ignored . . . We cannot have excellence in higher education if we do not have excellence in school."

The former United States Commissioner of Education formulated a prescription for collaboration that gave emphasis to three goals: improvement in the quality of teaching, a sharper focus on testing and evaluation, and a movement toward consensus on a core curriculum, the kind of curricular "base" that Spencer recommended.

Spencer's perceptive analysis of the situation of the schools and Boyer's call for greater interaction between them and the university are commendable. But each exaggerated the university's alleged failure to foster a constructive relationship. Spencer, for example, asserted that curriculum reform of American universities in the 1960's rendered the substance of collegiate as well as high school instruction "a cafeteria system of courses," many of them "junk food" without "academic substance." Boyer was also given to hyperbole in describing the hostility with which professors routinely "refuse" to meet with teachers and the "total isolation" in which curricular changes "at every level are planned." It may serve a rhetorical purpose to overstate a sensible message, but whatever inadequacy can be attributed to the academy is hardly as severe as either scholar supposed.

The fact is that America's colleges are engaged in a massive program of exchange with the public schools. Of particular use is the survey provided by New York Times reporter Gene I. Maeroff in "College-School Cooperation," a chapter in his recent study, Don't Blame the Kids (N.Y., McGraw-Hill, 1982). What Maeroff discovered is an exciting though necessarily fragmented expanse of joint endeavors everywhere in the nation. These projects vary from the Early Mathematics Placement Program at Ohio State University; the University of California's Partnership Program involving hundreds of junior and senior high schools; the National Humanities Faculty (Concord, N.H.) project which places professors in the
schools; the Teacher Center Consortium and Mainstreaming Project in New York City, a collaboration of teacher union, school board, university and foundation; the Sloan Foundation Minority Engineering Program, a consortium of colleges, public schools, companies, and community organizations aimed at students and parents; and the Middle College High School, a unique institution administered by LaGuardia Community College/CUNY and the New York City Board of Education, which offers high-risk students the chance to earn a high school diploma and associate degree within a single academic setting. This pattern of college-school cooperation and coordination is a vital part of education throughout the United States.

Of special interest are two separate projects of the College Entrance Examination Board and The City University of New York. Instead of avoiding consideration of the high school curriculum and its connection with postsecondary offerings, the College Board’s Project Equality has enlisted extensive university and school participation in the development of a standard of broad academic preparation desirable for college-bound students. Its six general areas designated as Basic Academic Competencies—reading, writing, listening and speaking, doing mathematics, reasoning, and studying—are probably less important than the process of university and school interaction used in working out the consensus. Anticipating Dr. Spencer’s severe words, the College Board had already succeeded in proposing and implementing an exciting plan to insure a better prepared college generation in the 1980’s.

Just as relevant in this context is The University/Urban Schools Task Force established by Richard M. Bossone, Dean for Instructional Research at the Graduate Center of The City University of New York. With funding from the Andrew Mellon Foundation and Exxon Education Foundation, Dr. Bossone, an eminent authority on learning skills, has brought together school superintendents and university personnel in conferences designed to share information and report strategies used to generate excellence in the public schools. At the first national conference last October, three presentations—by Dr. Thomas Goodman, Superintendent of the San Diego Public Schools, Dr. Frank Macchiarola, Chancellor of the New York City Public Schools, and Dr. Michael Marcotte, Superintendent of the Philadelphia Public Schools—described existing programs that illustrate what works effectively in America’s urban environment. The published proceedings of Dean Bossone’s conference are especially valuable for their varied case studies of how to combat educational decline and their demonstration of the effectiveness of three public school systems in meeting unusual educational challenges.

“In the ongoing emotional debate as to whether or not urban schools are effective,” Bossone observes, it is essential to organize cooperative ventures between the university and the schools. “Let us all begin now,” he says, “to help each other understand the worth of such education by accentuating facts rather than emotions.”

We live in an age of pessimism which has been profoundly influenced by rising expectations. Our inability to attain perfection in education at any level has prompted negative perceptions because of uncertainty about what we have attained. This ambivalence is deeply embedded in our culture. But surely all is not lost in a civilization whose best voices demand improvement while recognizing what we have already achieved. The deepening connection between the university and the schools is a testament to an indefatigable American commitment to progress.

Irwin H. Polishook is a professor of history at Herbert Lehman College, and president of AFT Local #2334, the Professional Staff Congress, the staff union at the City University of New York. He also serves as Vice President of AFT. Robert M. Nielsen is Assistant to the President for Higher Education at the American Federation of Teachers. He was previously an associate professor of mathematics at the University of Delaware.

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'WORSE THAN THE GREAT DEPRESSION'

Falling State Revenues, Cuts in Payrolls Bring Hard Times to Public Institutions

By JACK MAGARELL

For most states, and for the public colleges and universities that depend on state funds for the largest part of their income, hard times are here.

In 21 states, revenues this year have fallen below official forecasts. In 24, public payrolls have been cut in the past year.

In fiscal 1981, at least 19 states reduced spending to below the amounts originally appropriated.

“We face a financial problem that can still be estimated only in approximate terms,” says Ohio State University’s President Edward H. Jennings, “but even the estimates are twice the percentage of cutbacks we faced in the Great Depression.”

Mr. Jennings invoked the specter of the 1930’s in explaining to faculty members his plan for reducing spending at Ohio State by $19.6-million between now and June 30.

“In most states, budget deliberations this year will be more excruciating than usual,” concluded the National Conference of State Legislatures after a nationwide survey.

Tax Collections Down

In state after state, tax collections are lower and slower than last year because of higher unemployment, lower farm prices, and general recession.

“Adjusted farm income last year was the lowest of any year since the Great Depression,” said Iowa Gov. Robert D. Ray in his state-of-the-state message.

At the same time, states are receiving less money from the federal government.

The National Conference of State Legislatures says cutbacks in federal aid were not the primary cause of the state’s financial distress, “but they exacerbate it.”

Utah’s Gov. Scott M. Matheson says that three years ago federal funds amounted to 25 per cent of his state’s budget. Now federal funds have declined to 20 per cent, he says, “and we can expect that trend to continue.”

Mr. Matheson, in dealing with requests for higher-education funds in his state, has adopted President Reagan’s techniques of new federalism and block grants and lets the board of regents decide where reductions fall.

“My approach to funding education pro-

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grams this year,” the Democratic governor said in his budget address, “extends the new federalism philosophy—and the flexibility necessary to make it work—to local decision makers . . .

“It is apparent we cannot meet all the requests from the board of regents for higher education. And rather than fund only a limited number of specific requests, I propose block grants based on enrollment and growth for each institution, enabling the college or university president to decide where he wants to spend the money.”

Amid the concern over the faltering economy, governors of several states have urged increased support of higher education as a means of economic revival and competition.

“We will become a second-rate economy if we have a second-rate educational system,” said Colorado’s Gov. Richard D. Lamm in his state-of-the-state message.

In California, the budget proposed by Gov. Edmund G. Brown, Jr., includes $7-million—to be matched by contributions from businesses—to improve engineering and computer-science education at the state universities.

“The people of Mississippi are tired of being in last place,” says the state’s Democratic governor, William F. Winter. “I consider educational improvement absolutely essential to our economic progress.”

Even Alaska Is Cutting

Even oil-rich Alaska, whose tax revenues per person in 1980 were nearly four times the national average, has had to trim its spending plans.

Since August, Alaska has been forced by a decline in oil prices to reduce its revenue projections for fiscal 1982 and 1983 by more than $2-billion.

Describing his budget to the legislature, Gov. Jay S. Hammond said, “By contrast to the 12-course feast of last year, it will no doubt be viewed by some as quite austere.”

Almost any state could envy Alaska’s version of austerity, however. The state has increased its spending by 42 per cent this year. For next year, Governor Hammond, a Republican, has proposed an 8-per cent increase in total spending and a 15-per cent increase for the University of Alaska.

Petroleum revenues, which provide more than 90 per cent of Alaska’s total income, are projected at $3.5-billion in fiscal 1982, $3.6-billion in 1983, and $4.4-billion in 1984.

Among states that do not have Alaska-style resources, at least a dozen estimate that in this fiscal year their revenues will fall short of their current levels of spending. Since states are not permitted to spend more money than they have, they must cut back.


Colorado

Urging legislators to increase state support for research at state universities, Governor Lamm said Colorado had the opportunity "to become a technological cousin of California's Silicon Valley, and it is an opportunity we would be foolish to pass up."

"To insure our positive competitive position," he said, "we are going to have to place new reliance and responsibility on higher education."

"As a nation, we are not going to remain competitive if Japan continues to graduate more scientists and more engineers and more technicians than we do." 

Illinois

Gov. James R. Thompson said in his state-of-the-state message that his high-technology task force would make recommendations this month for "locating and funding high-tech research centers in Illinois."

"It is time we moved ahead at full throttle to compete with the strength of Silicon Valley in California and microchip corridors in Massachusetts, North Carolina, and Texas," he said. "And we're doing just that."

Iowa

Despite financial strains on the state budget, Governor Ray has asked the legislature to approve supplemental appropriations for the University of Iowa's College of Medicine and for more faculty members to cover increased enrollment at Iowa State University and the University of Northern Iowa.

He has also recommended increased scholarship funds and bond financing for the construction of new facilities at the University of Iowa's College of Law.

Kansas

Gov. John W. Carlin has proposed a "severance tax" on oil, gas, and coal produced in the state, to raise an estimated $124-million a year.

With that boost in state revenue, he has recommended an increase of 8.75 per cent in faculty salaries, plus an increase of 1.25 per cent in university salary budgets to meet competition from other states and private industry for faculty members in certain professional and technical fields.

Governor Carlin's budget proposes, a 6-per-cent increase in appropriations for other operating expenses for institutions governed by the state board of regents, plus increased support for community colleges.

Maine

In Maine, which ended the last fiscal year with a surplus of $35-million, Gov. Joseph E. Brennan, a Democrat, told the legislature that "state governments all over the nation are trying to make up for moneys that were committed—if not spent—only to find that Washington has reneged on its commitment to give the states the money."
Maryland

Gov. Harry R. Hughes has proposed increasing state spending by 6.9 per cent and reducing the state payroll by 901 employees in the next fiscal year.

Mississippi

Governor Winter told state legislators:

"If you are disgusted with seeing us continue to lose blue-chip industries to Georgia and South Carolina and other states because those states are perceived to have better technical-training programs, I urge you to do something about it."

The governor has proposed the creation of a permanent endowment for specific educational and economic-development needs. The endowment would be supported by proceeds from increasing the 6-per-cent oil and gas severance taxes to 9 per cent, which would produce about $68-million a year.

Among the highest priorities of the new endowment would be to improve vocational and technical training, the governor said.

"We know that food, forestry, computers, and energy are keys to a prosperous development of our resources," he said. "Why can't we have extra emphasis on such programs with libraries and equipment equal to Georgia Tech, M.I.T., and Stanford in these areas?"

Missouri

Gov. Christopher S. Bond proposed in his state-of-the-state address that public funds be provided for "challenge grants, which state colleges and universities can use to match private-sector funds to pursue research and applied projects leading to the creation of high-technology jobs for decades to come."

The budget recommended by Governor Bond calls for a $29.5-million increase in general-revenue funds for state colleges and universities to restore money that was cut last year to reduce a state deficit. He also recommended $6.3-million in supplemental funds for community colleges in the current year, and $2.3-million for higher education in fiscal 1983 because of growth in enrollment.

Governor Bond's budget recommendations were based on the assumption that general revenues will grow by 8.5 per cent in the current year and by 10.7 per cent in fiscal 1983.

New York

New York's Gov. Hugh L. Carey told the legislature that the state should use its higher-education system to full advantage.

"We must involve these institutions in implementing our strategy for economic development, forming a partnership with the business community to provide the research, instructional, and technological-development capacity that industry increasingly needs," he said.

Chancellor Robert J. Kibbee of the City University of New York said Governor Carey's budget proposals would force the university to cut its payroll by the equivalent of 469 full-time positions.

"This is a retrenchment budget, a destabilizing budget, a destructive budget," he said.

Oregon

Gov. Victor Atiyeh has proposed spending cuts amounting to about 4 per cent, plus a 6.5-per-cent reduction in faculty salaries. Education officials said the Republican governor's plan would require the elimination of 43 full-time faculty positions at the University of Oregon and 40 at Oregon State University.

"I told them I wanted a higher level of education without spending more money," Governor Atiyeh said. "They said it couldn't be done.

"There's a syndrome in the higher-education system that if there's a change, everything is going to hell in a hand basket. But we've got a challenge to do things differently. This is an exciting opportunity to get ourselves turned around."

Leaders of the Oregon legislature, which is controlled by Democrats, have proposed tax increases to alleviate the state's financial problems, but the governor has threatened to veto such increases.

Administrators of Oregon's eight state colleges and universities estimate that last year's austerity measures forced them to eliminate 1,000 courses and more than 170 faculty positions.
Gov. Richard W. Riley said the state "may well be facing very difficult times—times in which we are facing a loss of some $200-million in federal funds, and another $40-million shortfall in state revenues."

He proposed a "South Carolina Research Institute" to link higher education to industrial development.

Utah

Governor Matheson's budget recommendations to the legislature called for an overall increase of 11.7 per cent for higher education in fiscal 1983, including a 10.5-per-cent increase for faculty and staff salaries and a 12.5-per-cent increase for fringe benefits. The governor's proposals entail an 8-per-cent tuition increase.

The regents had asked for an appropriation increase of 17.5 per cent.

Vermont

Gov. Richard A. Snelling, proposing to hold the line on both spending and taxes, said, "We cannot gamble that the federal government will turn back tax capacity to the states at a rate that will match the loss of federal funds, or that it will provide additional flexibility which is needed if we are to best apply reduced funds."

He proposed no general tax increases but asked legislators "not to decrease Vermont's tax base when we know we must absorb very substantial, but as yet not fully known, losses in federal funding."" He proposed a variety of tax increases, including an optional 10-per-cent surcharge on tuition, in efforts to avert a projected deficit of $150-million. But legislative leaders say they're opposed to any rise in taxes.

If the legislature rejects his plan, the governor says, he will have to cut college and university budgets by 5.2 per cent, effective July 1. Last December, the Washington legislature cut higher-education budgets by amounts ranging from 5 to 7.3 per cent.

Higher-education officials say any further reductions will have damaging results.

"We've cut everywhere we can," said John Terrey, executive director of the Washington State Board for Community College Education, which recently declared a financial emergency in the state community-college system. "Any reduction in dollars now means a reduction in classes and faculty."

Widespread financial problems are indicated by a survey showing that 32 states expect to end the current fiscal year with deficits or zero balances in their general funds. Only 11 states anticipate balances larger than the normal cushion of 5 per cent.
State Support per Student Varies Dramatically

WASHINGTON

State support of public colleges and universities this year varies from as little as $1,945 per student in New Hampshire to as much as $6,608 in Wyoming and $12,712 in Alaska.

North Dakota’s legislature has earmarked more than 20 per cent of its total tax revenue for higher education—more than any other state. In Massachusetts, higher education gets only 5 per cent of the state’s total tax revenue.

Such dramatic inequalities among the states reflect fundamental differences in wealth, population, taxation levels, and type of educational system, all of which complicate state-to-state comparisons.

An analysis of appropriations that takes into account a number of basic differences among the states has been developed by D. Ken Halstead, a senior research associate at the National Institute of Education.

Mr. Halstead’s study is an attempt to provide a more thorough analysis of current appropriations in time to assist officials in higher education and the state legislators who are developing budgets for colleges and universities for the next fiscal year.

Nationally, this year’s average appropriation per student was $3,682, which represented 10.8 per cent of total state and local tax revenue, the Halstead study shows.

New York, for example, ranked forty-fifth in the portion of its revenue—7.8 per cent—earmarked for higher education, but its appropriation per student, $4,795, was the third largest in the country.

If local and state tax rates in New York had been at the national average in 1980, the state would have raised $838 per person.

Because its rates were 70 per cent above the national average, New York raised $1,432 per person.

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Massachusetts System Thrown into Turmoil by a Wrangle over Finances and Governance

BY ROBERT L. JACOBSON

It is simply that the system is going through the “intermediate” phase of a major revision of its governance, Mr. Atkins maintains.

Either way, it is clear that the public colleges and universities in Massachusetts have been thrown into considerable turmoil over the past year and a half, and it remains to be seen where they are headed both financially and structurally. Their problems illustrate how hard it can be for state authorities to reshape higher education in a time of retrenchment.

What upsets many people in the higher-education system is not only what the legislature has been doing, but also how it has been doing it. Legislative budget makers can’t seem to stay out of educational decision making, the critics contend.

They point out, for example, that when the legislature voted in 1980 to set up a 15-member board of regents—and thereby scrap the entire system’s previous governing structure—it did so through a rider to the state’s annual appropriations bill.

In addition to creating the new board, the measure eliminated both the office of the state education secretary and the statewide coordinating board for higher education, as well as several other multi-campus boards.

The action took academic leaders by surprise. It also bypassed the legislature’s education committees, which thought they had jurisdiction in such matters.

Then, last summer, legislative leaders decided to “underfund” four of the five public institutions in Boston by “clustering” them as a separate group in the appropriations bill.

That step, also largely unexpected, prevented the board of regents from tapping other funds for the four institutions and led it to prepare for the demise of one of them—Boston State College—just before the start of the fall term. Under a proposal by the regents’ chancellor, John B. Duff, nearly 100 of Boston State’s 275 full-time faculty members, plus about 70 part-time teachers, were to be laid off in three weeks.

Last month, after a long and bitter controversy over faculty rights, Boston State ceased to exist by order of the state legislature and was taken over by the University of Massachusetts at Boston, a 17-year-old offshoot of the university’s “flagship” campus across the state in Amherst.

As of last week, nearly 150 Boston State faculty members were expected to be permanently transferred to the university, with the rest being absorbed by other public institutions or moving to temporary assignments on the regents’ staff.

The legislature’s role in all of that was surprising, say academic and political sources, in part because the statute that created the board of regents seemed to give it almost sweeping powers. The board was specifically designated as “the governing authority” of the higher-education system and was instructed to be an “advocate” for it.

The board’s statutory powers included the ability to rearrange or discontinue entire institutions, or parts of them, on a two-thirds vote. It also was given authority to allocate funds to each institution after receiving a single “lump sum” appropriation from the legislature.

The new process appeared sharply different from the old system, in which officials from each institution lobbied independently for as big a slice of the pie as they could get. Chancellor Duff told colleagues that the provisions had changed the Massachusetts system from one of the least centralized in the country to one of the most centralized.

In reality, however, such sweeping authority has yet to be fully transferred from the legislature to the regents.

Some critics charge that the lawmakers never really intended to relinquish control to the board, whose members are appointed by the governor. One top campus official, who prefers not to be identified, theorizes that many legislators, whatever their initial motives, now fear political damage in their local districts if the regents alone can decide how much money individual institutions will receive each year.

Senator Atkins, on the other hand, insists that lump-sum budgeting wasn’t intended to take effect right away and that the details still must be “fought out” in the coming year. For now, at least, the legislature remains interested in “questions of performance and results” in higher education, he says.

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The budget chairman also reports that
his committee is inclined to regard any new
fiscal independence for higher education in
the context of "strong legislative oversight." At a time of widespread financial
difficulties, he says, major public-policy
decisions must be made through the budgetary process. "That's just a fact of life," he
says.

Thus do money, politics, and higher edu-
cation continue to be closely interwoven in
the Commonwealth of Massachusetts.
That's the tradition here, so it is not sur-
prising when academic officials concede
that they don't know how things are going
to work out.

Some of them are hopeful. They say
they are beginning to receive positive sig-
als from politicians and business leaders
about the importance of public higher edu-
cation to the state's economic well-being,
and that maybe the system is about to turn
the corner.

But they just can't be certain yet, they
say. The signals are still too shaky, the
budgets too tight, and the reorganization
too new and untested for any firm conclu-
sions now.

Money is something this state's public
colleges and universities have never had
too much of. Their supporters often point
out, with a mixture of irony and pain, that
while Massachusetts is the birthplace of
private higher education in this country
and the home of many prominent private
institutions, it has long ranked at or near
the bottom of the national lists in tax sup-
port for public higher education.

The system consists of 3 universities (in-
cluding 3 branches of the University of
Massachusetts), 9 state colleges (not
counting Boston State), and 15 community
colleges, and enrolls the equivalent of
about 100,000 full-time students. Since
1974, the institutions' share of the state
budget has declined from nearly 9 per cent
to only about 4 per cent.

An apparent exception is the state uni-
versity's Amherst campus, whose officials
are known to be relatively satisfied with
their share of state appropriations in recent
years. "We're just below the Big 10," says
one top administrator, but he concedes
that, since his institution has fared better
than the average, many of the other camp-
uses are worse off than the aggregate fig-
ures suggest.

Many academic sources maintain that it
is impossible for public institutions to get a
fair shake because the legislature, most of
whose members went to private colleges,
is biased against them.

..."You can hold an alumni meeting of
Boston College on the floor of the legisla-
ture and excuse very few members," says
Richard M. Fontana, dean of the faculty at
Southeastern Massachusetts University.
(Boston College is a private institution af-
liated with the Roman Catholic Church.)

Even state scholarships for needy stu-
dents have been skewed in favor of private
colleges, which get about three-fifths of
those funds. In addition, according to
James M. Cardinal, the regents' director of
administration and finance, state law has
enabled some students to receive larger
awards from Massachusetts by going to
public or private institutions in other states
than they would have received for attend-
ing the University of Massachusetts.

In the case of the clustered appropri-
ations for the Boston institutions, it is
widely believed that legislative leaders—
even though they did not say so—were mo-
tivated by a desire to close Boston State
College.

Many academic and political leaders in
the state had agreed for some time that the
former teachers' college—it was founded
as a normal school in 1832—had become a
source of duplication and waste, and had
generally outlived its usefulness as a sepa-
rates institution.

Its enrollment was dropping steadily,
down by about 28 per cent since 1976 to a
full-time equivalent of 4,174 last fall, ac-
cording to data from the board of regents.
Faculty attrition over the same period,
however, was only about 10 per cent, caus-
ing a substantial decline in the average
class size. Some history classes, for ex-
ample, had as few as five students each.

But a final decision to close Boston
State, or otherwise restructure the Boston
segment of public higher education—
which includes two community colleges,
Bunker Hill and Roxbury—kept being de-
layed. Members of a state study commis-
sion could not agree on a plan, and legisla-
tors became increasingly impatient.

The stakes rose considerably in 1980
after Massachusetts voters passed a
statewide tax-cutting measure known as
Proposition 2 1/2, and about $265-million in
state "bail-out" appropriations had to be
diverted to revenue-starved communities
throughout the state. (By comparison, the
higher-education system's main appropri-
ation this year totaled about $365-million.)

"When things get tight," says Chancel-
lor Duff, "the politics get more desper-
ate."
In an analysis of its own budget proposals for fiscal 1982, the Senate Ways and Means Committee declared that the state could not be expected to support public higher education at a level “comparable to that of ‘quality’ states.” The committee recommended dividing appropriations for the system according to 14 geographical clusters, and it advised the regents to “take immediate steps to consolidate programs and services, staff and other resources, and generally do whatever can be done to reduce expenditures.”

After the actual appropriations came out, the regents said they were short about $6-million for the Boston cluster and had no real choice but to lay off about half the faculty members at Boston State. (About 250 part-time teachers at the University of Massachusetts at Boston also were let go, although about a third of them had been rehired.)

An alternative would have been to hit all four institutions with major budget cuts. But the regents rejected that approach on educational grounds. They also are said to have been assured that no supplemental funds would be forthcoming to ease the crisis—a prediction that ultimately proved wrong.

In any event, the sudden move to re-trench at Boston State last fall stunned and enraged its faculty members. Their union, an affiliate of the Massachusetts Teachers Association and the National Education Association, had known the college eventually would have to be closed or merged somehow, but its leaders had been counting on the regents to stick to a previously announced three-year timetable.

They also were hoping that the regents would settle on combining the college and the university campus as “equal partners,” says John E. Moon, president of the campus union.

Calling the new plan “academic genocide” and a violation of their contract, union leaders succeeded in blocking the layoffs in court.

The upshot was that the legislature, in the final hours of its session last month, approved a $3.7-million supplemental appropriation to ease the transfer of Boston State’s personnel to the University of Massachusetts at Boston and other state institutions over the coming months.

Administrative problems later forced a one-week delay—until February 8—of the beginning of the spring semester at the newly consolidated University of Massachusetts at Boston.

In retrospect, many sources now believe that neither the regents nor the legislature appreciated in advance how difficult it would be to close an academic institution where substantial salary increases and job-protection features were built into faculty contracts.

Most legislators apparently did not realize, for example, that the state would have to come up with several hundred thousand dollars in severance pay under a 1980 contract that included raises of about 29 percent over three years, observes Edmund R. Pignone, the regents’ general counsel.

Faculty contracts also were a problem because they contained “contradictory” language on job-protection issues, according to Chancellor Duff. He charges that union representatives from Boston State and the University of Massachusetts at Boston have often been “at war” with each other, even though they are both affiliated statewide with the Massachusetts Teachers Association.

“These people are in the same union and they won’t sit down together,” Mr. Duff declares.

Vincent F. McGrath, president of the M.T.A.’s state-college segment, concedes that conflicting contract provisions have been a “bar” to settling details of the consolidation.

Junior faculty members at the university’s Boston campus, for example, feared that their jobs would be jeopardized if teachers from Boston State were allowed to come in with more seniority than they had. Boston State teachers, many of whom had been in the system for at least 10 years, sought to transfer as much seniority as they could to their new jobs.

The final language approved by the legislature last month attempted to compromise by providing that Boston State teachers who joined the university faculty could bring up to six years of seniority with them to their new assignments.

As of last week, about 500 students at Boston State, mostly management majors, were expected to switch to the university’s harbor campus about three miles away. The rest, about 3,000 students, were scheduled to remain at the college’s former campus near downtown Boston.

The regents were having persistent trouble, however, in working out the final arrangements for transferring Boston State faculty members.

About 45 of them were placed “on loan” to state colleges and community colleges, according to Roger Schinness, vice-chancellor for academic affairs, but permanent assignments were being held up because of faculty opposition.
Mr. Schinnes said faculty members at the state and community colleges were anxious about tenure and seniority rights that Boston State teachers might bring with them, and that community-college faculty members were raising questions about the generally much higher salaries of their counterparts from Boston State.

About 60 Boston State faculty members still did not have campus assignments last week and were expected to be kept on the regents' payroll for an uncertain length of time.

Meanwhile, a challenge by the Massachusetts Teachers Association to the university's actions in connection with the consolidation was pending before a state arbitration board.

The problems over the past year and a half have taxed administrative and faculty morale around the state.

"There is just no room for me to grow here," said a dejected Nancy L. Goodwin on leaving the presidency of Greenfield Community College in December for a similar position at Arapahoe Community College in Colorado.

Saying that a lack of consultation between state officials and campus administrators had been a "prime" reason for her decision to leave Massachusetts, Ms. Goodwin related that her colleagues at other institutions in the state had begun to show "that most of them felt fairly intellectual."

Campus officials would tell each other at meetings what their plans and hopes were, she said, but then they would add things like, "'Nobody's going to listen.'"

One reason for the precipitate overhaul of the Massachusetts system, according to political friends and detractors alike, was that academic leaders often seemed unable to act decisively on major questions of structure and finance.

"Behind the overall reorganization," says State Rep. James G. Collins, vice-chairman of the House education committee and an ally of the Boston State faculty union, "was a sense that public higher education was in a very chaotic state and that, if it were left to the educators, nothing would be changed."

But Mr. Collins, who opposed the use of an appropriations bill to establish the board of regents, says the legislative result was worse "because total change was put in without any sense of where we're going."

A staff officer for the board agrees, saying, "There is no theory of public higher education."

Despite such negative assessments, some academic leaders do see cause for optimism—based, in the main, on recent political soundings around the state.

A gubernatorial election is coming up this year, and already some candidates have made positive gestures toward higher education.

Gov. Edward J. King, a Democrat who is obviously aiming for re-election, proposed a 10-per-cent budget hike for public higher education last month after most officials had clearly understood that he would propose only "level funding."

Earlier, former Gov. Michael S. Dukakis, who also plans to run in the Democratic primary in September, issued a statement vowing support for higher education.

Governor King's proposed increase, though less than the institutions and the regents requested, is unusually large. A further cause for optimism is that the legislature generally appropriates more for higher education than the governor requests.

The political rhetoric, meanwhile, is focusing increasingly on the role of public higher education in better serving the state's technological and economic development.

"Our great growth industry is high technology," and support for it "has to come out of higher education," says State Sen. John Olver, a member of the ways and means committee. "We in this state are going to have to pick up the pieces or else our economy is going to go down the drain."

Academic planners working for the board of regents agree enthusiastically with that view. They say that considerable expansion of technical education must take place within the community colleges, especially in the Boston area.

Some campus officials also seem to be less anxious than they were only a few months ago over the possibility that the legislature and the regents will push for more consolidations.

In the furor over Boston State, in fact, two such proposals for colleges in other parts of the state have moved noticeably off the front burner.
In addition to its effect on students and faculty members, the closing of Boston State points up several problems facing the entire state system of higher education.

One problem, in the opinion of many sources, is suggested by the regents' reaction to legislative pressure last summer.

According to John Moon of the Boston State union, when the board abandoned its more deliberate plan for reorganizing the Boston institutions, it failed in its assigned role as advocate for the system. Even some key legislators blame the regents for not handling the pressure more skillfully.

For example, Senator Oliver, a close observer of higher education, says the regents' plans to dismiss dozens of Boston State faculty members last fall was "horrendous." He acknowledges that the legislature was trying to encourage the board to adopt a faster timetable for phasing out the college, but not that fast.

Mr. Oliver says he knew from the start that supplemental funds would be available later to support a compromise. He implies that the regents should have sensed that and held out for something less disruptive than an immediate closing.

"We expected too much of them and they expected too much of us," he says.

Others, such as Norman Zalkind, one of the regents, maintain that the board—which became fully operational only last spring—was too inexperienced and too thinly staffed to manage the confrontation well. But he also blames the legislature for being "confused" about the regents' role and for giving them "no clear mandate."

The selection of the chancellor also has affected the regents' public image. Mr. Duff, former president of the University of Lowell, was chosen only after the board reportedly had trouble attracting top national candidates. A key factor was the relatively low salary set by the legislature—$54,500 a year. (It was recently raised to $65,000.)

Mr. Duff, though generally well thought of on the campuses, has been the target of scathing attacks over the Boston State affair. Faculty-union leaders in the state colleges, aiming most of their anger at the chancellor rather than the board of regents or the legislature, have repeatedly denounced Mr. Duff and urged his removal.

Knowledgeable sources assert, meanwhile, that few members of the legislature fully recognized the implications of what they were voting for when they created the board of regents in 1980 and used the cluster approach to budgeting last summer.

"There are 200 legislators and everyone views this differently," says Mr. Oliver. "But there are probably only 10 or 12 who viewed this with any real sophistication."

Nevertheless, many officials doubt that the legislative budget committees will ever grant the system a full measure of fiscal autonomy. For a long time, they note, the only way a state institution could get adequate consideration of its budget request was to send its own representatives to lobby before those committees.

Back in the 1970's, recalls Robert Wood, former president of the University of Massachusetts, "I never testified before the education committees" to win legislative support. "I'd just settle it with the Senate president and the chairman of ways and means." Campus officials say that that is still how the game is played, even with the board of regents to represent them. They also complain that they have lost some flexibility they used to have in being able to shift funds across accounts as needed.

"The political reality," says an aide to one university president, "appears to be every man for himself—as usual."

But a member of the board of regents, who prefers not to be quoted by name, says his associates on the board are beginning to understand their responsibilities more clearly. At first, he concedes, they were "a little mixed up as to whether they were supposed to be an advocate of higher education or of the [Senate] ways and means committee." But lately they have began to operate more clearly as the system's representative, he says.

Regardless of how the regents' role evolves, however, the bottom line for many campus officials in this state is, indeed, "the bottom line."

Says Donald E. Walker, president of Southeastern Massachusetts University: "The basic problem with public higher education in Massachusetts is funding—not reorganization."
Higher Education Being Cut Again in Administration's Budget for 1983

By JANET HOEK
WASHINGTON

Another round of deep cuts in federal aid to higher education—including barring graduate students from the Guaranteed Student Loan program and eliminating three other student-aid programs entirely—will be recommended in the fiscal 1983 budget that President Reagan sends Congress this week.

Administration sources confirmed that the plan for the fiscal year beginning October 1 includes proposals to:

> Deny graduate students access to Guaranteed Student Loans and curtail interest subsidies provided to other recipients of guaranteed loans.
> Slash spending for the $2.28-billion Pell Grant program to $1.4-billion next year, and provide no funds for Supplemental Educational Opportunity Grants, National Direct Student Loans, and State Student Incentive Grants.
> Eliminate the graduate fellowships administered by the Department of Education under a $10.6-million program that primarily aids women and members of minority groups.
> Pare spending for the National Endowment for the Humanities by more than 25 per cent.
> Increase the budget of the National Institutes of Health by 2.7 per cent.

The Action Committee for Higher Education, a coalition of 12 college and university groups formed recently to fight further cuts in federal aid, estimated that the Administration's request for five of the Department of Education’s student-aid programs would total only $1.8-billion—down from the $3.35-billion provided by Congress for fiscal 1982.

Despite the fact that the Administration will propose sharp new restrictions on students' eligibility to borrow under the Guaranteed Student Loan program, it is expected to ask Congress for a supplemental appropriation of close to $1-billion to finance interest subsidies for loans made in the current fiscal year. The program is expected to cost close to $3-billion in fiscal 1982.

1 Million Fewer Pell Grants

At a news conference sponsored by the Action Committee, Jack W. Peltsan, president of the American Council on Education, contended that the expected cutbacks in student aid, if approved by Congress, would “make a college education impossible for several hundred thousand students.”

The council estimated that the proposed cutbacks in Pell Grants would mean that more than 1 million fewer students would be eligible for aid in 1983-84 than this year. Fiscal 1983 funds will be spent in academic 1983-84. Elimination of federal funds for direct loans would eliminate awards to 266,000 students, according to the council.

Based on the Administration’s expected proposal to pare the College Work-Study program from $523-million in fiscal 1982 to about $400-million in fiscal 1983, the council estimated that the number of federally subsidized jobs for students would decline by 27 per cent.

“The Administration is advocating the abandonment of a bipartisan, 25-year-old commitment that college will not be denied to any person because of the financial condition of his or her family,” Mr. Peltsan said. “This commitment was meant to avoid a two-track system in which the sons and daughters of the wealthy attend one kind of institution and the sons and daughters of the poor attend another.”

Members of the coalition also warned that the Administration’s proposal to restrict eligibility for guaranteed loans to undergraduate students would impose serious hardship on graduate students. They said about 600,000 graduate students—roughly half of all those enrolled—now receive guaranteed loans.

Administration officials said graduate students would still be able to borrow under another federally subsidized program of “auxiliary loans” that was originally es

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Budget

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Established in 1920 to aid parents of undergraduate students.

The college leaders warned, however, that graduate students might not be able to afford the higher interest rates charged under the auxiliary-loan program—14 percent, compared with 9 percent on student loans. What’s more, they said, many graduate students may be unable to find a lender willing to make such a loan.

Because the auxiliary-loan program is relatively new and is more complicated to administer than the student-loan program, many bankers are reportedly reluctant to make auxiliary loans. In December, the Department of Education says, the program was operating in 23 states, and loans had actually been made in 16 states.

Even in Massachusetts, where more money has been lent to parents under the new program than in any other state, a loan official told a House of Representatives subcommittee last week that banks had not been willing to make such loans to graduate students.

Any thoughts of putting all graduate students on [auxiliary loans] should be summarily dismissed as unworkable, unwise, and unfair to students and schools,” said Joseph M. Cronin, president of the Massachusetts agency that guarantees student loans.

President Reagan’s budget for fiscal 1983 will also incorporate the Administration’s plans for transforming the Department of Education into a sub-Cabinet-level education foundation—including proposals to transfer many programs to other federal agencies while eliminating others entirely. The department’s student-aid programs are expected to be included in the proposed education foundation.

The ACE’s Mr. Peterson contends, however, that the question of how student-aid programs will be organized “pales in significance in comparison to whether there will be any student-aid programs to be administered at all.”

More for NIH

In another area of interest to higher education, the Administration will propose a budget of $3.747 billion for the National Institutes of Health, according to agency documents—up from the $3.647 billion provided by Congress for fiscal 1982.

In a statement, Administration officials say, the President’s budget requests will:

- Ask Congress to provide additional money in fiscal 1982 to aid black colleges and other developing institutions under Title III of the Higher Education Act. In one of its few requests for a supplemental appropriation for education, the Administration will ask Congress to boost spending for Title III from $124.4 million to $139 million.
- Cut almost in half the $150 million budget for the Education Department’s “Trio” programs, which provide special aid to disadvantaged high-school and college students.
- Propose a $76 million budget for the National Endowment for the Humanities in fiscal 1983—down from the $130.6 million provided for the current fiscal year.
- Resubmit a proposal, rejected by Congress last year, to eliminate the $12 million Institute of Museum Services.

In other areas of the Department of Education’s budget for fiscal 1983, an official of the American Council on Education said he had learned that the President would propose:

- Eliminating aid for cooperative education and college libraries.
- Providing $11.9 million for the Fund for the Improvement of Postsecondary Education—up from the $11.5 million provided by Congress for fiscal 1982.
- Maintaining spending for the National Institute of Education and the National Center for Education Statistics at roughly this year’s levels of $53 million and $9 million, respectively.

Census Bureau Cut

Meanwhile, at the Census Bureau, an agency on which many education researchers and social scientists rely heavily, cutsbacks in its budget for fiscal 1982 already are taking their toll.

A spokesman for the bureau said that at least 50 of the bureau’s 5,500 employees would have to be laid off in the next few months, and that the number of studies conducted by the agency would have to be curtailed.

Although it has not yet been decided exactly how the cutbacks will be applied, college association spokesmen said they feared the bureau’s annual surveys of college enrollment and other data concerning student populations would be curtailed.

Officials said the bureau would also feel the effects of cutbacks in other federal agencies—including the Department of Education—because many of the bureau’s studies are financed with money received under contract from other departments of the federal government.
Washington

Reagan's Bill on Tax Exemptions Wins Few Capitol Hill Adherents

By CHERYL M. FIELDS

President Reagan's bill to bar tax exemptions for educational institutions that practice racial discrimination appears to have won few adherents on Capitol Hill.

Sen. Robert Dole, the Kansas Republican who chairs the Senate Finance Committee and who introduced the bill at the Administration's request, was clearly unhappy with the measure as he opened a hearing on it last week.

He said the hearing, at which Administration witnesses testified, was only the first that would be held—"unless we find some other way out of this dilemma."

In the House of Representatives, Speaker Thomas P. O'Neill, Jr., Democrat of Massachusetts, said he did not expect to call up the legislation for a vote because, he said, the Civil Rights Act of 1964 already bars aid to schools that discriminate.

He also said no resolution expressing the sense of Congress on the tax exemptions was needed, as has been proposed in the Senate. "I do not expect a resolution or legislation," he said.

Several constitutional scholars and former officials of the Justice Department and Internal Revenue Service were to testify before the Ways and Means Committee last week that a new law is not needed.

President Reagan hastily sent the bill, S 204, to Capitol Hill after his Administration was under attack for its announcements that the Internal Revenue Service would no longer bar tax exemptions for racially discriminatory private schools and that the Justice Department would ask the Supreme Court not to hear lawsuits filed by Bob Jones University and Goldsboro Christian Schools challenging the I.R.S.'s right to deny them tax exemptions.

The Court has not yet announced whether it will change its earlier decision to hear the cases. Senator Dole said he hoped the Court would hear them.

Difficult issues concerning racial bias and religious freedom are raised by the tax exemption issue, he said, and Congress could benefit "from the Court's wisdom in these difficult constitutional issues."

"Despite my conviction that discriminatory schools should be denied tax-exempt status, we must be careful that our zeal to eradicate racial discrimination does not result in the infringement of religious freedom, an equally strong tenet of American democracy," he said.

"The more I explore the issue, the more difficult it becomes," Senator Dole said.

"I appreciate the White House's sending the legislation up here with its best wishes, but we may want to send it back," he said.

When they testified before Senator Dole's committee last week, representatives of the Justice and Treasury Departments insisted that the decision to drop the policy of barring tax exemptions to private schools was based on the fact that no provision of the Constitution or statute was

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Black Muslim organizations refuse to admit whites they should be denied a tax-exempt status because they discriminate?

"These extremely difficult but real issues illustrate the need for Congressional action," he concluded.

Reynolds 'Voiced Concern'

Contrary to statements by President Reagan’s top White House aides that they were not aware of the broad civil rights implications of the original tax-exemption decision, Deputy Attorney General Edward C. Schmults told the Finance Committee that in fact it was William B. Reynolds, Assistant Attorney General for civil rights, who first "voiced concern to me over the claimed legal basis for the I.R.S.’s authority.

He said that "both departments foresaw that heated public criticism and protest might accompany a change of an 11-year litigating and policy position.”

More than 200 employees of the Justice Department’s civil-rights division signed a letter late last month protesting Mr. Reynolds’ position on the tax-exemption issue, saying it "violates existing federal civil rights law."

Documents that the departments turned over to the Finance Committee indicate that the Administration announced the policy shift late on a Friday afternoon to minimize the amount of public reaction that could be included in the initial news stories on the shift.

Shortly before the Finance Committee opened its hearings, officials of the National Christian Action Coalition said they would fight the President’s legislation, which they said was "a major threat to religious liberty" and could lead to the Internal Revenue Service’s examining institutions' religious beliefs.

The measure Mr. Reagan proposed would bar tax exemptions for institutions that have a "policy, program, preference, or priority [that] is based upon race or a belief that requires discrimination on the basis of race."

It would allow exemptions for institutions that give preference or priority to members of a particular religious group in admissions or programs, as long as the preference is not based on racial bias.

Bob Jones University says it admits students from minority groups but bars interracial dating and marriage among its students, citing religious grounds. Goldsboro Christian Schools cite religious reasons for denying admission to blacks.

The Administration has said that while action is pending on its proposed legislation by Congress, Bob Jones and Goldsboro will receive tax exemptions, but that no new applications for such status will be granted to institutions with racially discriminatory policies.

Holmes’ Bill Preferred

William Billings of the National Christian Action Coalition said his organization preferred a bill, S 2029, introduced recently by Sen. Jesse Helms, Republican of North Carolina, that would exempt many religious institutions from its coverage and require "the Secretary of the Treasury to obtain a judicial finding of racial discrimination before terminating or denying tax-exempt status to private schools on the grounds of racial discrimination."

Mr. Billings said the coalition had "launched an all-out effort" to defeat President Reagan’s bill. Saying many conservative Christians had voted for Mr. Reagan, Mr. Billings added that if the coalition’s stand "means the abandonment of the man and party who offered us the most hope, so be it.” He indicated that, if necessary, the coalition would try to have amendments attached to the Reagan bill barring tax exemptions for single-sex institutions on the ground that they are practicing sex discrimination in violation of national policy.

Major national civil-rights groups, as well as the U.S. Commission on Civil Rights, also oppose the President’s proposed legislation. Spokesmen for these groups told the House Subcommittee on Civil and Constitutional Rights recently that no new legislation was needed to allow the Administration to continue to bar tax exemptions for institutions with racially biased policies. The Constitution, the Civil Rights Act of 1964, and previous court decisions provide ample authority, they said.

Rather than accept the Administration’s bill, Sen. Gary Hart, Democrat of Colorado, and 27 other Senators are urging that the Senate adopt as an alternative a resolution stating "the sense of Congress that current federal law clearly authorizes and requires the Internal Revenue Service to deny tax-exempt status and deductibility of contributions to private schools that discriminate on the basis of race."
WASHINGTON

Despite several government reports on waste, abuse, and mismanagement of federal student-aid funds, Congressional backers of the programs questioned claims that large numbers of students receiving federal aid are not using the money for legitimate educational purposes.

Rep. Peter A. Peyser, Democrat of New York, contended during hearings on the operation of student-aid programs last week that the Reagan Administration had fostered the image that "there are all these kids ripping us off."

"We've never been able to find information to substantiate that belief," Mr. Peyser said.

Edward M. Elmendorf, Deputy Assistant Secretary for student aid in the Department of Education, admitted that he had not found "significant cases of willful abuse" by students. But he told the House Subcommittee on Postsecondary Education that unintentional student errors in aid applications had cost the government significant sums because some students received larger Pell Grants than they were really eligible for.

A House appropriations subcommittee, however, has refused to approve a proposal by the department to require all applicants for Pell Grants to submit their families' income-tax forms so that college officials could verify the information provided by students on their grant applications.

The agency proposed to pay for the verification plan by taking $5-million from the $2.25-billion budget for Pell Grants. The House panel that handles education appropriations refused to allow the department to divert money provided for students' grants, to cover administrative costs.

Third Parties' Blamed

James B. Thomas, Jr., Inspector General of the Department of Education, reported that major investigations in fiscal 1981 had uncovered fraud and embezzlement by a major corporation, a former college financial-aid officer, and the president of a proprietary school.

Rep. Ted Weiss, Democrat of New York, said those cases indicated that most student fraud was committed not by students but by "third parties" involved in the delivery of aid, people "who've decided they're going to get in on the gravy."

Pressed by the panel for evidence of abuse by students, Mr. Thomas cited cases of students who had applied for aid using false names and schemes in which students had been instructed how to obtain federal grants for which they were not eligible.

Mr. Peyser contended that such examples amounted only to "a handful of cases" in programs serving more than 5 million students.

Mr. Weiss said members of the subcommittee who are longtime supporters of federal student aid were frustrated because of the "political use to which the issue has been put."

During last year's budget debate, efforts to curtail eligibility for Guaranteed Student Loans were fueled by critics' contentions that many affluent students were using loan money for such purposes as investing in money-market funds.

Mr. Thomas said investigations by his office would not be likely to uncover such problems, because its probes rarely focus on individual students unless they have obtained aid through illegal methods.

Some legislators suggested that a more substantial challenge to the credibility of financial-aid programs had been posed by the high rate of defaults on student loans. The default rate now stands at more than 16 per cent in the National Direct Student Loan program.

Acknowledging that "the intensity of the program depends on getting that default rate into a realistic frame," Rep. William D. Ford, Democrat of Michigan, said Congress had recently taken steps to improve the collection of loans.

However, he said he feared those efforts would be set back by the Department of Education's decision last year to shift responsibility for the collection of defaulted loans from the department to private contractors.

"I want to make sure that we don't get six months down the road and we're under fire (for increased default rates) because the previous collection system has been dismantled," Mr. Ford said.

Department officials have contended that private agencies would be productive in collecting loans—at a lower cost to the government—because their employees. Officials said they would monitor the collection efforts of the loan agencies under the new arrangement, which took effect last month.

The Department of Education has proposed barring institutions from receiving new federal funds under the direct-loan program if their default rates exceed 25 per cent.

New Rules to Be Issued

In another area, department officials told the House panel that the administration would soon issue rules designed to address concerns that colleges have been strict enough in insuring recipients of federal aid make "satisfactory academic progress."

A recent report by the General Accounting Office that concluded the many of the 20 institutions studied were not establishing or enforcing academic standards for students who continue receiving federal aid.

In an effort to address the problem without encroaching on colleges' freedom to set their own policies, department officials said they were developing new rules that would require institutions to adopt standards of academic progress that have been established by their accrediting agency or to follow guidelines established by the American Council on Education. —JANET HOBAN
Reduced Federal Support Threatens U.S. Research, Scientists Tell Congress

By Kim McDonald
WASHINGTON

University presidents and other top science leaders emphasized to Congress last week the dangers that severe cuts in federal support for basic research would pose.

Only a few days before President Reagan sent his budget requests for fiscal 1983 to Capitol Hill, David S. Saxon, president of the University of California, told the House Science and Technology Committee that long-term damage to the country's scientific enterprise would result if the government did not maintain a strong commitment to science education and basic research.

"We need to hit very hard on that, and to spell it out," Mr. Saxon said. "The problems have been identified. The question is, Do we have the will to do something about it?"

Mr. Saxon said he was skeptical that "the Administration will succeed in sustaining science as a vital national effort," even though George A. Keyworth, II, President Reagan's science adviser, had made a commitment to do so.

"Unintended Side Effects"

It is possible, Mr. Saxon added, that "by the unintended side effects of policies directed toward reducing the relative size of the federal government, some serious, costly, and even permanent damage to science will result."

Edward J. Bloustein, president of Rutgers University, said limited state support had forced his institution to raise its tuition 18 per cent and cut its budget this year. Loss of federal research support and student aid next year, particularly for graduate students, he said, would exacerbate the problem.

C. Peter Magnus, president of the University of Minnesota, said his institution was not counting on additional state support.

"I am currently confronted with budget cuts in the neighborhood of over $34-million in the next 17 months," he said. "We went through the budget cuts that were supposed to be good for our academic souls several years ago. We are plenty lean now, and we are now dismantling programs and services that our state is going to regret losing—after it's too late."

Industry representatives also expressed fears that research and education at universities would suffer because of reduced federal support in fiscal 1983.

David O. Webb, vice-president of the Gas Research Institute, said the fiscal uncertainties that graduate students face could discourage many of them from continuing their education in some important energy-related fields.

'Mixed Signs and Portents'

Vice E. Henriquez, president of the Computer and Business Equipment Manufacturers Association, said the Administration should be wary of hurting large numbers of graduate students to defense-related work and thereby hurting industries that need more graduates in computer-science and engineering fields.

"We all fully realize the need for this type of talent in order to insure our national security," he said. "However, given the shortage with which we are now faced, and the likelihood of its imminent growth, we must establish a balance so that all interests are adequately served."

Mr. Saxon said he saw "mixed signs and portents in Administration policies affecting science and technology, particularly in universities. I seem to see an Administration policy that makes demands on science and technology without making available the resources needed to meet those demands."

D. Allan Bromley, chairman of the board of the American Association for the Advancement of Science, said basic research needed a long-term federal commitment. At the same time, he added, the public must have a greater understanding and appreciation of science.

Mr. Saxon urged that university, government, and industry representatives work to forge a national science policy that would protect the country's scientific resources.
Building locations can be identified by the room numbers. Three-digit room numbers are in the Russell Senate Office Building and the four-digit numbers in the Dirksen Senate Office Building. Address is Washington, D.C. 20510.

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All Senators offices may be contacted by calling 224-3121

United States Senate

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THE IMPACT THAT FEDERAL GOVERNMENT CUTBACKS WILL HAVE
ON PHILANTHROPY AND VOLUNTARY ORGANIZATIONS

by Brian O'Connell
President
INDEPENDENT SECTOR

BACKGROUND OF INDEPENDENT SECTOR'S REVIEW

Since the announcement of the proposed cuts in federal spending, INDEPENDENT SECTOR has been concerned with the need to clarify the implications for philanthropy and voluntary organizations and to gauge the ability or inability of the nonprofit side of the private sector to compensate for the cuts.

This paper summarizes the findings to date.

URBAN INSTITUTE'S ANALYSIS OF THE BUDGET CUTS

INDEPENDENT SECTOR, in concert with the 501(c)(3) Group and the National Society of Fund Raising Executives, engaged The Urban Institute to do an analysis of the proposed cuts. The full Report, prepared by Lester Salamon with Alan Abramson of The Urban Institute, is available from the sponsoring organizations.

The Report is divided into those cuts that will impact directly on the income budgets of voluntary organizations themselves and those cuts that will affect the general fields in which voluntary institutions are engaged. The direct cuts will represent loss or reduction of grants or fees or other government payments that are given to voluntary organizations to perform public services. The larger cuts are those that will include the losses to voluntary organizations but will also include losses to all public and private organizations operating in fields of interest to voluntary organizations.

The Urban Institute's figures generally make comparisons between President Carter's budget for the fiscal year '81 and the budget outlines proposed by President Reagan for '81 - '84. The figures also include comparisons with the '80 budget adjusted only for inflation for '81 - '84.

Direct Cuts to Voluntary Organizations

(These are only summary figures. For explanations and details, please refer to the Urban Institute's full Report.)
The Urban Institute estimates the following direct cuts in income for voluntary organizations from the funds that would have flowed to them under the January budget provisions.

<table>
<thead>
<tr>
<th></th>
<th>'82</th>
<th>'83</th>
<th>'84</th>
<th>1981-84 Totals</th>
</tr>
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<tr>
<td></td>
<td>-$4.767 billion</td>
<td>-9.802</td>
<td>-12.677</td>
<td>-$27.272</td>
</tr>
</tbody>
</table>

The total loss would be $27.3 billion.

The $27.3 billion is divided by fields of activity as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Amount ($ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Welfare</td>
<td>18.023</td>
</tr>
<tr>
<td>Education</td>
<td>4.995</td>
</tr>
<tr>
<td>Health</td>
<td>3.085</td>
</tr>
<tr>
<td>Income Assistance</td>
<td>.410</td>
</tr>
<tr>
<td>International</td>
<td>.315</td>
</tr>
<tr>
<td>Arts</td>
<td>.316</td>
</tr>
<tr>
<td>Environment</td>
<td>.127</td>
</tr>
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</table>

The total of $27.272 billion is approximately one-fifth of the total of cuts to the fields of interest embraced by philanthropy and voluntary organizations. The fuller totals are outlined below.

Cuts to the Fields of Interest of Philanthropy and Voluntary Organizations

(These cuts include the $27.3 billion of direct cuts to voluntary organizations.)

Total Reduction, FY 1981-1984

<table>
<thead>
<tr>
<th>Field</th>
<th>Amount ($ billions)</th>
<th>% Change from January Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCIAL WELFARE</td>
<td>-$ 44.4</td>
<td>-36.6%</td>
</tr>
<tr>
<td>Social Services</td>
<td>- 11.8</td>
<td>-35.9%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>- 24.5</td>
<td>-55.5%</td>
</tr>
<tr>
<td>Community Development</td>
<td>- 8.1</td>
<td>-18.3%</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>- 34.2</td>
<td>-29.6%</td>
</tr>
<tr>
<td>Elementary and Secondary</td>
<td>- 10.8</td>
<td>-33.1%</td>
</tr>
<tr>
<td>Higher and Research</td>
<td>- 23.4</td>
<td>-28.2%</td>
</tr>
<tr>
<td>HEALTH</td>
<td>- 11.6</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Health Finance</td>
<td>- 8.0</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>- 3.6</td>
<td>-20.6%</td>
</tr>
<tr>
<td>INCOME ASSISTANCE</td>
<td>- 31.7</td>
<td>-16.5%</td>
</tr>
<tr>
<td>Cash (excluding Social Ins.)</td>
<td>- 6.6</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Housing</td>
<td>- 2.8</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Food</td>
<td>- 20.3</td>
<td>-27.7%</td>
</tr>
<tr>
<td>Other</td>
<td>- 2.1</td>
<td>-18.6%</td>
</tr>
<tr>
<td>INTERNATIONAL</td>
<td>- 3.4</td>
<td>-9.5%</td>
</tr>
<tr>
<td>ARTS</td>
<td>- 1.1</td>
<td>-37.0%</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>- 1.7</td>
<td>-57.5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-$128.2</strong></td>
<td><strong>-16.7%</strong></td>
</tr>
</tbody>
</table>
The Likelihood That These Estimates Are Low

The above estimates include only the proposed federal reductions. They do not include likely cuts by state and local governments made necessary by their losses of some federal income. For example, it is likely that state and local governments will cut funds going to voluntary organizations to perform public services. Thus the $27 billion of direct cutbacks to voluntary organizations is likely to be considerably higher.

Increased Expectations for Service

The problem for voluntary organizations will be further compounded by an almost certain increase in expectations of service. For example, if local governments cut back on public day care services, parents will turn to voluntary day care programs such as church-related services to meet their emergency needs.

THE REALITIES OF PRIVATE SECTOR CONTRIBUTIONS

The General Picture

Total giving, adjusted for inflation, remained exactly the same in 1980 as it was five years earlier in 1976. The total in 1980 dollars was $48 billion.

Corporate Giving

Corporate giving rose approximately 15% in both 1978 and 1979, but the acceleration dropped to 4% in 1980. The total, however, is still only $2.5 billion or 5% of philanthropy. Even if corporate giving were to rise 15% in 1981, that increase would only be $375 million nationwide.

Foundations

Foundations will even be less able to help. The stock market's long decline and federal regulatory excesses have combined to shrink both the number of foundations and the real dollars available from them. Ten years ago, foundations represented 10% of all U.S. philanthropy. In just a decade, the proportion has dropped to 5%. Though there is legislation pending that will help that situation somewhat, it is not possible that there will be new foundation dollars to match the immediate need.

Individuals

For the long term it is personal giving that will represent the greatest hope for carrying on many of the programs and organizations faced with
major reductions and increased expectations, but the turnaround will be slow. Giving by individuals represents 90% of all philanthropy in this country, but even before the impact of double digit inflation, personal giving had been declining as a proportion of both personal income and gross national product. Now in the face of continued inflation and increased unemployment, it is just not realistic to expect individuals to be able to pick up the sudden slack.

THE OBVIOUS CONCLUSIONS

Private philanthropy and voluntary organizations cannot be expected to cover a significant proportion of the proposed cuts and, unless immediate steps are taken to stimulate giving, will not even be able to come close to covering the direct losses to the voluntary institutions themselves.

The causes and organizations which will suffer the most are those heavily dependent on government funding and with least prospect of competing for block grants or private support.

WHAT CAN BE DONE?

The Increased Urgency to Pass the Charitable Contributions Legislation

The Need to Be Absolutely Sure That Everyone Knows the Facts, However Unpleasant

- The Administration and Congress, so they don't proceed with the cuts on the false assumption that the private sector will absorb most of the cuts and services.
- The Fund Seekers, so they don't assume that private philanthropy will somehow save the day.
- The Grantmakers, so they don't give false signals that they are prepared to do more than they really can.
- The Clients, who may desperately turn to the private sector, and being denied, transfer their anger in that direction.

The Need to Understand How Truly Desperate The Plight Will be For Many Independent Organizations and Institutions

The Need to Comprehend the Consequences of Cutbacks for Community and Neighborhood Groups and to Try to Provide Emergency Funds

A large proportion of these recently formed and funded neighborhood groups are heavily dependent on government. They receive their funds through a variety of government programs, such as the federal government's Urban Development Action Grants (UDAG) and
Comprehensive Employment Training Act (CETA). The organizers and prime movers of these neighborhood-oriented organizations are very often the current generation of leaders of their populations. If government cutbacks force too many of these groups out of business, the composite anger of these leaders and their constituents will likely be beyond containing.

Employing the experience and model developed in the San Francisco Bay Area during the Proposition 13 crisis, several cities are setting up mechanisms for pooling foundation and corporation funding for use in keeping alive the best of the community groups.

Work With the Administration and Congress to Strengthen Private Philanthropy and Voluntary Organizations

Walk the essential tightrope to take advantage of the opportunities to strengthen philanthropy and voluntary organizations without exaggerating what voluntary organizations can do or what government should not do.

Promote a Comprehensive "Voluntary Initiative Program" by the Administration and Congress that includes such points as the following:

- Support passage of the Charitable Contributions legislation
- Amend foundation "payout" requirements
- Revise other restrictions which discourage the formation or growth of foundations
- Elevate and highlight the OMB's study of ways to strengthen public/private partnerships
- Be sure government departments don't pass along to voluntary organizations a high proportion of required government budget cuts
- Identify specific ways voluntary organizations can be even more fully utilized to perform public services
- Ease excessive and growing government regulation and oversight of nonprofit organizations
- Encourage and applaud the growth of corporate public responsibility, including corporate philanthropy
- Promote individual giving and volunteering
- Recognize and honor the contributions of individual citizens and voluntary organizations
- Highlight and elevate existing programs which demonstrate the caring and service of individual Americans
Consult with and involve the voluntary organizations which have been working on public problems a very long time.

Expand the legal opportunities for voluntary organizations to more fully represent citizen opinion.

7/7/81
Undecided Votes On The
Charitable Contributions Legislation

July 14, 1981

Abdnor (R-SD)
Cohen (R-ME)
Armstrong (R-CO)
Denton (R-AL)
Chafee (R-RI)
Domenici (R-NM)
East (R-NC)
Gorton (R-WA)
Grassley (R-IA)
Hatfield (R-OR)
Rudman (R-NH)
Stafford (R-VT)
Wallace (R-WY)
Jepsen (R-IA)
Kasten (R-WI)
Percy (R-IL)
Murkowski (R-AK)
McClure (R-ID)
Garn (R-UT)
Hatch (R-UT)
The Bulletin
Sunday, November 29, 1981

THE HIGH COST OF COLLEGE

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again a higher education has become a privilege that fewer people can afford. In a four-part series beginning today, The Bulletin examines the money crisis on campus.

Students face doubled costs, tough choices

By SAM W. PRESSLEY
Of The Bulletin Staff

Sixteen years ago, Community College of Philadelphia opened its doors, charging full-time students a bargain-basement price of $330 per year to enter.

"We're keeping the cost of quality education within everybody's reach," became its motto.

But like every other business hit hard by inflation, the two-year school has been forced to change its tune.

Uncertain about its future ability to offer its product — a college education — cheaply, the school was almost apologetic in its July announcement of a tuition increase.

Escalating operating costs, it said, were to blame for the rate hike.

At Community, tuition for full-time students rose from $700 to $800 per year — still eight times less than what it costs to attend most private four-year colleges.

But with each new rise in their prices, even traditionally low-cost schools such as the Community College of Philadelphia now must worry about placing a higher education beyond the reach of many students.

Overall, the price of a college education — tuition, room and board, books, supplies, personal expenses and transportation costs — has doubled in the last decade.

And this year, college costs jumped a record 14 percent, according to the College Board.

For both students and colleges, the steeper rates are ominous. They come at a time when the Federal Government is cutting back some $2 billion in student aid — about one-sixth of its budget geared to helping students pay those higher prices.

Ad estimated half of the 12 million students enrolled this year at the nation's 3,000 college campuses depend on federal and state aid to help finance their college education.

College educators predict that in the years ahead a combination of rising costs and reduced help to meet those bills will force increasing numbers of students to:

- drop out of school;
- postpone or interrupt their college education to earn money to pay for school;
- limit their education to a few courses aimed at improving specific job skills;
- switch their status from full to part time to enable them to stretch their payments over a longer period of time;
- elect to attend a local college and live at home to save on residential costs;

Faced with rapidly rising costs, many students already are being forced to make adjustments in order to continue their college education.

When Earlham College recently raised its annual charges for tuition and other expenses from $6,800 to $7,800 — a 13 percent increase — Tracy Coleman's parents had enough. The Colman's pulled their son out of the small, four-year private school in Richmond, Ind., to save $1,800 in room-and-board costs.

Coleman, 21, a business major, currently commutes by public transportation from his West Philadelphia home to another small, private school — Beaver College in Glenside — to complete his senior year.

"We just ran out of cash (to pay for the increased costs at Earlham)," explained Coleman, who still depends on financial aid from Beaver to meet his $4,970 annual tuition bill.

Nationally, costs at four-year colleges have doubled since 1972 and are up 13 percent to 14 percent for the current 1981-82 school year, reports the College Board. And the American Council on Education predicts that costs will climb next year at the hefty pace of 8 to 12 percent.

Costs for tuition, books, room and board and other expenses average $6,885 at private four-year colleges. But at more than a dozen major private colleges around the country, including the University of Pennsylvania, Bryn Mawr, Haverford, Swarthmore and Princeton, annual costs now top $10,000.
Students at two-year colleges around the country also faced big percentage increases, although tuition levels at these schools are generally lower to begin with. Their expenses jumped anywhere from 3.4 percent to 22 percent.

The cost of attending public two-year schools now averages $3,230 a year and $5,504 at private two-year schools. At tuition-cheap nonresidential community colleges, annual costs in the Philadelphia area ranged from $672 at Bucks County Community College to $930 at Montgomery County Community College.

"Invariably, colleges raise their fees to students to help cope with rising inflation. Your major institutions (including Penn, Harvard and Yale) know their product is so desirable they can jack up the prices and still expect to have every seat filled," said William Kautz, acting Pennsylvania commissioner of higher education.

"Students selecting a college in the future will be forced to look more critically at the cost rather than simply the quality of the campus," Kautz said.

Educators fear that the federal cuts and restrictions are the beginning or the end of a principle — developed over the past three decades in this country and reinforced by a series of acts of Congress — that the Federal Government has an obligation to help economically disadvantaged students attend college.

Private colleges, which are heavily dependent on income derived from tuition to pay operating costs, the federal cuts that took effect Oct. 1 are especially critical.

Cut off from the loans and grants they need to help them pay the higher bills at private schools, a number of students will shift to low-cost public colleges, according to John D. Phillips, president of the National Association of Independent Colleges and Universities.

And because of a decline in the national birthrate, the competition among colleges in the years ahead for the shrinking 18- to 23-year-old college-age population, as well as for adults, should intensify.

Total enrollments were up slightly this fall at the nation's campuses, but private colleges generally suffered a 2 percent drop in their enrollment of freshman students, reports the 850-member independent-college lobbying association.

At Beaver, freshmen enrollment rose from 193 a year ago to 207 — a 7 percent increase in first-year students.

Meanwhile, Earlham College's freshman enrollment went the other way. New student totals dropped from 312 a year ago to 291 — a loss of 7 percent.

Within the next five years, the association warns, the trend away from private colleges will result in a reduction in new enrollment at these schools of between 15 to 20 percent. Especially threatened will be the smaller private colleges — such as Beaver and Earlham — that enroll a few thousand students or less.

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**Comparative Tuition at Area Colleges**

Following are 1980-81 and 1981-82 undergraduate charges for Philadelphia area colleges and universities. Figures do not include costs of books, supplies and personal needs, which increase the annual expense about another $1,000.

<table>
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<th>School</th>
<th>'80-'81 tuition fees</th>
<th>room board</th>
<th>total</th>
<th>'81-'82 tuition fees</th>
<th>room board</th>
<th>total</th>
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<td>$8,950</td>
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<td>$6,000</td>
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<td>$8,500</td>
<td>$7,250</td>
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<td>Bryn Mawr</td>
<td>$5,900</td>
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<td>$8,550</td>
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<td>$6,500</td>
<td>$2,000</td>
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<td>$5,150</td>
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* Costs are higher for out-of-state students. 

N.A. = Coleman's manual does not apply.
Meanwhile, this new "student movement" toward publicly funded colleges will place an added tax burden on state and local governments, which are already struggling to keep lid on soaring costs of welfare, employees' salaries and secondary education, Phillips said.

New Jersey, for example, with half of its 60 colleges being public institutions, increased its student subsidies from $42 million a year ago to $48.5 million this year to help them meet increased costs.

But more typically, many states instead have warned students not to expect them to fill the gap in aid left by the Federal Government. Delaware, for example, did not significantly increase its $2.3-million student appropriation over last year.

In Pennsylvania, the state's Higher Education Assistance Agency (PHEAA) received the same $74.2 million budget this year as it did last. But because more students this year applied for and received grants, Kenneth Reeher, PHEAA's executive director, said the agency was forced to lower the average grant by 10.2 percent, to $713.

Also, thousands of students each year are thrown off the PHEAA rolls when their families' income exceeds the $25,000 limit.

Reeher added that cuts in federal aid programs have put pressure on colleges to dip into their own limited funds to help students pay for school.

Nevertheless, since "more students are having to get by with less aid," many financial-assistance packages — grants, loans, and subsidized campus jobs — will continue to fall short of students' actual financial needs, according to Reeher and other educators.

At Villanova University, cuts in state and federal aid reduced the student assistance budget from $3 million a year ago to this year's $2.2 million, said W. Arthur Switzer, the university's associate director of financial aid.

As a result, Switzer said, students needing to meet the university's annual $8,000 bill for tuition, room and board and other expenses, were awarded grants, loans and subsidized campus jobs worth about $5,500 — or, $2,500 less than their actual financial need.

Among the biggest losers in this era of reduced financial aid will be low-income students seeking admission to high-cost private colleges, said PHEAA's Reeher.

Reeher fears that in the future, colleges faced with limited financial aid will look closer at a student's ability to pay his bill before offering him admission.

TOMORROW: How middle- and low-income college students will suffer from slashes in federal aid.

John D. Phillips says students are switching to low-cost public colleges.
THE HIGH COST OF COLLEGE/Soaring tuition creates a campus crisis

New U.S. student-aid rules to deny loans to 1 million mid-income kids

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again, a higher education has become a privilege that fewer and fewer people can afford. In this four-part series, The Bulletin examines the money crisis on campus and its impact on today's students.

By SAM W. PRESSLEY
Of The Bulletin Staff

Michael Brucker majors in mechanical engineering at Villanova University.

But during almost three years spent at the private campus in Delaware County, Brucker, 20, also received a lesson in financing the rising cost of his education.

For example, this school year the junior from Meriden, Conn., combined his summer earnings, plus $800 from a subsidized campus job and an additional $1,100 from his parents to pay college costs of $6,426 — including $4,362 in tuition and an $80 a month off-campus apartment.

Still short, Brucker obtained a federally backed, low-interest $2,000 bank loan to close the gap.

But for his senior year, Brucker might have to meet his annual expenses without the benefit of money from the federal Guaranteed Student Loan (GSL) program that he's banked on since his freshman year.

The reason: The U.S. Department of Education imposed stringent requirements on these loans to middle-income families on Oct. 1 in a move to save federal dollars.

Brucker's parents now will have to pass a tough income test for him to qualify for the loan again.

But since his parents annually earn $42,000 — or

$12,000 more than the program now allows for eligibility — Brucker expects to flunk the eligibility test.

"I think that I'm going to be shafted," Brucker said.

He is not alone in his fears.

As part of its efforts to trim the federal budget, the Reagan Administration chopped about $2 billion from the student aid budget, which is estimated at between $12 billion to $15 billion, of which $8 billion is GSL money.

The GSL rule changes will knock one in every four borrowers — about 1 million middle-class students — from the loan program, according to the American Council on Education.

Meanwhile, nearly 10 percent of the 2.7 million low-income students currently receiving so-called Pell Grants will be dropped because of stiffer income eligibility requirements. The Pell Grants are the Federal Government's largest student-grant program, geared primarily toward the poor. Other forms of financial aid typically available to students include federally funded jobs, which also are affected by the cuts.

Frightened by warnings about the rule changes, parents and students flooded financial-aid offices in record numbers this summer in a bid to beat the Oct. 1 deadline and to borrow money under the old rules.

The net result was that students generally were unaffected by the restrictions and reductions this year.

But financing next school year's bill will be a different story.

"Student aid programs are being seriously crippled and emasculated to the point that the clock is being turned back in this country to an era when only the rich could afford a college education," said Robert H. Atwell, vice president of the education council. "And I find that totally unacceptable."

The Reagan Administration says the cuts and restrictions are necessary to "restore the focus" of these programs "on the truly needy." Furthermore, the Administration argues that the cuts will "emphasize the traditional role" of the family and the student in contributing to meeting higher education costs rather than looking to Washington for help.

Said Budget Director David A. Stockman: "It seems to me that if people want to go to college bad (sic) enough, then there is opportunity and responsibility on their part to finance their way through the best they can."

Critics contend that while this view is historically true, it is no longer valid at a time when annual costs at more than a dozen private colleges already top $10,000.

In 1975 — a year before Brucker started at Villanova — the cries of middle-income families being flattened by rising college costs were heard when Congress liberalized a major program for financing a college education, the Guaranteed Student Loan program.

Prior to the passage of the 1978 Middle Income Act, which made the federally backed loans available to all college students regardless of family income, critics of rising college prices said they feared that middle-income families would be squeezed out of higher education.

And if colleges did price themselves out of the middle-income market, the critics — educators, legislators and parents — predicted that the only students left on campus would be the wealthy and those heavily dependent upon financial aid, especially bank loans.

In effect, the loans afforded middle-income students the "freedom of choice" to attend high-cost private schools.

Now, with the Oct. 1 restrictions blocking access to federal grants and loans and with the Reagan Administration proposing even deeper cuts and stiffer student-aid eligibility rules to be effective after June 30, Atwell and other educators once again fear that middle-income students will be penalized the most.

As of Oct. 1, federal loans became available only to students and their parents, who together earn less than $30,000 of adjusted gross income (arrived at after deducting business and moving expenses, alimony payments, disability income, and sick pay).

If the family's adjusted gross income is over $30,000, then applicants must pass a needs test to qualify.
Many students fear that the needs test either will make them ineligible for the maximum $2,500 annual loan or, in Brucker's case, eliminate them from the program entirely.

The Federal Government guarantees the loans against default and pays the difference between the student interest rate, now 9 percent, and a market rate, currently about 16 percent, said a U.S. Department of Education spokesperson. Also, the government pays all of the interest on the loans while borrowers are still in school.

A one-shot "origination fee" of 5 percent also has been tacked onto GSL loans. For a student taking out the annual maximum $2,500 loan, for example, it means that he will be receiving $2,375 although he will pay the interest on the entire $2,500. The $125 fee will be used to help defray the Federal Government's interest subsidy to banks while the student is in school.

Further, even though some students technically might qualify for smaller loans, banks generally are reluctant to process low-interest loans for less than $1,000, according to the College Board.

To finance her $4,897 tuition and room and board bill this year at Temple University, sophomore Carmen Nibbs was granted a financial aid package that included a $1,200 loan. Bob Fleming, a Temple freshman, received a top loan of $2,500.

Today, Miss Nibbs frets that her hopes to receive a larger loan next year have been dashed by the new rules.

Meanwhile, Fleming worries that his parents' middle-class income probably will make him ineligible for the full amount and perhaps even bar him from participating in the loan program.

"I'll apply (for a new loan), but it doesn't look good," said Fleming, of the Powelton section of West Philadelphia.

With an income ceiling once again placed on the loans, the education council estimates about one-fourth of the current 4 million borrowers - or 1 million students - will be ineligible for participation.

For example, at the University of Pennsylvania, where annual costs now exceed $10,000, some 12,000 students applied for, and got, federally backed loans this year. Penn estimates that only 55 percent of them would qualify for the maximum $2,500 annual loan under the Oct. 1 rules.

The GSL loan was especially attractive because of its 7 percent interest rate. To cool the demand for GSLs, the Federal Government increased the interest rate to 9 percent, still far below interest rates for most other types of loans. Also, loan payments don't become due until six months after the students leave college.

Now the Reagan Administration is proposing that students start paying the interest on these loans before they graduate.

A federal "net" expected to catch dropouts from the GSL program is the Auxiliary Loans to Assist Students (ALAS) program. Formerly called the Parents Loan Program, it has been expanded to attract graduates and independent students as potential borrowers, regardless of need.

But ALAS loans aren't nearly so attractive to borrowers. Repayments begin 60 days after students receive the loans. Also, interest on these loans have risen from 9 to 14 percent.

Financial aid officials say those who might suffer the most under a reduced GSL program are middle-class students whose families earn $30,000 to $45,000 and who attend public colleges and universities where costs are comparatively low.

Jeanne Ackerly, a middle-income junior attending Temple, a low-cost public university, has seen her tuition rates rise steadily during the 21/2 years she has spent at Temple. Yet Temple advised her that her parents made too much money for her to qualify for aid, other than GSL loans, which were available to students regardless of income until Oct. 1.

The university determined that the amount she and her parents should contribute to her college education was more than her annual expenses: $3,910, which included a $2,382 tuition bill. Wary of debts, she ignored the GSL loans.

According to financial aid rules, if this same student attended any other college, the amount she would have to contribute to her costs would remain the same.

But the thousands of dollars difference in school costs, made up through loans, could amount to a huge debt over four years. So she remains at Temple, a public university, with its lower rates.

Curiously, under the generous needs standards set by the U.S. Education Department, some children attending high-cost private colleges and whose families earn even $100,000 a year will still qualify for the low-interest loans.

Here's how: If two parents earning $100,000 have three children enrolled at high-cost private colleges, each child would qualify for a $1,000 loan, said the College Board.

Costs this year average $3,873 at public four-year schools and $6,885 at private ones, according to the College Board.

For the future, educators foresee public college students staying put and scrambling to pay their costs rather than transferring to private colleges where they might be eligible for the GSL loans.

Also, these educators predict that new students may opt to save money by spending their first two years at the cheaper community colleges, then transferring to four-year institutions.

Or, they may follow a growing trend among college students and file for financial assistance as independents to qualify for grants and federal loans geared to the needy.

Three years ago, 20-year-old Mike Bouve, Brucker's classmate at Villanova, moved out of his parents' home to qualify for full aid as an independent student.

"I miss being at home, but it is the only way I can get through college and get my bills paid," said Bouve, a junior from Avoca, Pa., near Scranton. Despite grants, he still accumulated a loan debt of $7,000.

Low-income students, who normally could depend on financial assistance, also are feeling the pinch with the decline in grant subsidies.

Within the past year, low-income students have seen the amount of aid they could receive per year from the Pell Grants reduced by $80 a year. The maximum grant allowable to even the poorest student dropped from $1,750 to $1,670.

For the current 1981-82 school year, an estimated 2.7 million needy students received an average of $906 under the $2.4 billion grant program.

However, under a revised eligibility scale issued by the U.S. education department, an estimated 250,000 of the 2.7 million currently receiving the grants will be dropped from the rolls next school year.

Last Oct. 1, interest rates on National Direct Student Loans, which are geared to low-income students, were increased from 4 to 5 percent. And when Congress chopped 20 percent from the budget of the program, many colleges were forced to limit these loans to about $1,000 per student to help more students.

At Villanova, for example, National Direct Student Loans averaged $800.
But at Lincoln University, a small, primarily black college in rural Chester County, financial aid director Clifton F. Knight is concerned that the school's total enrollment of some 1,000 students was barred from borrowing in the program this year and probably will be shut out again next year.

The reason: To remain in the National Direct Student Loans program, the Federal Government demands that a school's default rate of student borrowers can't exceed 10 percent. The default rate for former Lincoln student borrowers has hit 46.7 percent, Knight moaned.

These rock-bottom interest loans are sorely missed at the school, where 90 percent of the students must rely on financial aid, he said. Last year, Lincoln students borrowed $58,000 worth of such loans.

TOMORROW: How colleges are looking to efficiency to cut costs.
THE HIGH COST OF COLLEGE / Soaring tuition creates a campus crisis

As costs overwhelm students, inflation hurts colleges too

The cost of a college education, the key to advancement up the American ladder of success, has doubled in the last decade. Once again, a higher education has become a privilege that fewer and fewer people can afford. In the third of a four-part series, The Bulletin continues its examination of the money crisis on campus and its impact on today’s students.

By SAM W. PRESSLEY
Of The Bulletin Staff

At first blush, it sounded like a good idea.

To save money on fuel oil, Delaware State College last year decided to turn off the campus heating system over the Christmas vacation. But the plan backfired when a cold wave broke water pipes in five buildings, causing $20,000 in damage and embarrassment to steamed college officials.

Meanwhile, leaky roofs and pipes and an inadequate electrical system plague Trenton State College. But college officials say they can’t afford the estimated $1 million it would take to upgrade the deteriorating physical plant.

At Villanova University, over the protests of students and alumni, school officials last year tackled a money crunch by dropping an 87-year-old football program.

And, citing financial crises, public colleges in New Jersey, Michigan, Oregon and Washington are shattering academic tradition by dismissing tenured professors.

In the last decade, inflation and high energy costs have led to a doubling of the cost of college.

While parents and students are bemoaning the spiraling expenses, non-profit higher-education institutions contend that, like private companies, they are being forced to pass along increased costs to their customers — students — in the form of higher tuition bills.

They are also being forced to:

• defer maintenance on buildings;
• create energy-saving programs;
• freeze hiring or limit salary increases;
• pare shopping lists for the purchase of new equipment and educational materials.

Colleges also are stepping up fund-raising campaigns and diversifying their curricula to attract older students as the traditional college-age population shrinks.

Despite cost-cutting and income-producing efforts, however, inflation continues to erode the colleges’ economic stability and threatens the quality of academic programs, according to the Association of Physical Plant Administrators of Universities and Colleges.

“[No student wants to stay at a campus that’s less comfortable than what he’s used to back home. Increasingly, it’s going to become difficult for financially strapped colleges to survive without first cutting into their education budget to keep from going under,” said Paul T. Knapp, executive director of the Washington-based association.

Already, corporations hiring science graduates are complaining that some of their new employees were trained with outdated, poor-quality school laboratory equipment, Knapp said.

To help bail themselves out of a deepening financial hole, colleges often turn to private contributors. But donors are less willing to give money to pay for a new roof or boiler than for an entire building, Knapp said.

“It’s not a glamorous thing to say that you gave money to a college to buy a roof or install a boiler with your nameplate attached. But, hey, it sounds great to say you have a campus building named after you,” he said.

Officials at public and community colleges charge that their financial woes are compounded by the fact that funding from federal, state and municipal governments is either being cut or barely keeping pace with their economic needs.

Trenton State, for example, a publicly supported college this year requested an additional $335,000 from New Jersey to upgrade its science and laboratory equipment, said Don Uyhazi, assistant director to the college’s vice president for administration and finance. But the New Jersey Department of Education has recommended $200,000.

Sighed Uyhazi: “If and when we get the money ($200,000), we’ll just have to pick and choose from our shopping list what things are vital.”

Cheyney State College charges that years of being shortchanged by Harrisburg threatens its ability to operate.

“We have always gotten less than what we consider to be our fair share of state aid,” said Cheyney’s acting president, Dr. Luther Burse. “But we have a mission to perform (educating predominantly black students), and we will continue on that course.”

Plant and academic conditions at the small campus in Delaware County have deteriorated to the point that Cheyney’s application for accreditation renewal is being held up by the Commission on Higher Education of the Middle States Association of Colleges and Schools, The Bulletin has learned.

In a one report, the commission required Cheyney to submit a proposal for strengthening educational programs, correcting faculty overstaffing in departments showing declining student enrollment, ending budget deficits by better fiscal controls, and upgrading its physical plant, especially its rundown dormitories.

Limited dormitory space, for example, this year cost Cheyney 200 students, whose requests to live on campus were turned down, the col-
The commission had requested
Cheyney's plan for improving its fa-
cility by Nov. 15, but it held off after
Pennsylvania Secretary of Educa-
tion Robert G. Scanlon requested a
delay until his department appoints
a permanent president for the col-
lege.
Cheyney, like Pennsylvania's 13
other state-owned colleges and pub-
lic colleges around the country de-
pendent on federal funds, are under
a federal mandate to desegregate
their campuses.
But its funding from the state and
Washington is insufficient for the
task, Cheyney claims.
This year Cheyney requested $10.5
million from the state, but instead
received $10.2 million.
The $300,000 shortfall, coupled
with previous underfinancing from
the state, places Cheyney on a criti-
cal list, charged Norree Jones,
Cheyney's vice president for fiscal
affairs. Jones said Cheyney "criti-
cally needs" $500,000 to repair roofs
and renovate a rundown heating and
ventilating system, $200,000 to up-
grade its library, and $100,000 to pur-
chase educational and instructional
supplies.
"In the past when (state schools)
spent too much, they thought the
(Pennsylvania) General Assembly
would bail them out. But no more," said Education Secretary Scanlon.
"I believe my charge (by Gov-
ernor Thornburgh) was to bring these col-
eges under fiscal control and ac-
countability."
But even private colleges are find-
ing that a money crunch often de-
mands tough action.
Three times within the past 10
years, the University of Pennsyl-
vania has frozen hiring to help end a
budget deficit that reached $5 mil-
"We simply were spending more
money than what we were taking in," said Dr. Robert M. Zemsky, the
university's director for planning
analysis. To help avoid another fi-
nancial crisis, Penn has ordered its
departments to "live within their
budgets," Zemsky said.
But less financially secure col-
eges are confronted with the more
difficult choices of curtailing aca-
demic programs and reducing the
sizes of their staffs or closing their
doors.
Educators in New Jersey, at least,
are not standing by quietly waiting
for pink slips.
Faculty members at New Jersey's
nine public four-year colleges are
contesting the state's recent decision
to develop policies and procedures
for laying off, in times of financial
crisis, tenured professors and other
employees at these schools. The
teachers claim the layoff rules
violate their contracts.
Among the threatened schools are
Glassboro State College in Glouce-
ter County and Trenton State.
Rutgers, the state university, is
unaffected by the force-reduction
regulations.
State education officials say that
expected declines in college enroll-
ments will require fewer teachers.
In the meantime, professors at
New Jersey's 17 two-year public
community colleges are challenging
the layoffs of 11 tenured faculty
members at Atlantic Community
College and 13 others at Essex Coun-
ty College last year. The professors
claim that the colleges failed to
prove that worsening finances justi-
fied the layoffs.
But while most colleges are man-
aging to avoid such harsh cost-cut-
ting measures, the twin problems of
delivering maintenance and delaying
the purchase of new equipment con-
tinue to take their toll.
said one college official: "Afford-
ing repairs is often a matter of rob-
bing Peter to pay Paul. We take a
little bit from over here and put it
over there. Meanwhile, somebody or
something suffers."
Causing the greatest suffering,
college officials contend, are rising
energy bills.
At Penn, energy costs escalated
from $4.4 million in 1973 — near the
start of the Arab oil embargo — to a
projected $22 million this year.
At Temple University, despite
thermostats lowered to 65 degrees,
costs for energy — electricity, natu-
rnal gas and fuel oil — rose from $2
million 10 years ago to an estimated
$14.4 million this school year, Tem-
ple President Marvin Wachman
said.
With heating oil prices shooting
from 12 cents a gallon a decade ago
to about $1.12 per gallon today, col-
eges say the runaway bills are
draining away funds that could oth-
erwise be spent on education pro-
grams.
"People are saying the energy cri-
sis is over," Wachman said. "Well,
for us (colleges), the energy crisis is
still painfully real."
Many colleges have introduced en-
ergy-conservation programs and are
coming up with novel ways to save
money. For example, Skidmore Col-
lege in Saratoga Springs, N.Y., was
cited by the Academy for Education-
tal Development last year for de-
veloping a method to burn used crank-
case oil in its heating plant.
To slow the rise of its energy bills,
which have gone from $920,000 last
year to this year's projected
$51,000, Delaware State College is
spending $75,000 to install small aux-
iliary boilers in some buildings to
enable the shutting of larger boilers
that require more fuel.
Following a trend, St. Joseph's
University is considering spending
$250,000 to install a computer to mon-
it and control its heating and air-
conditioning systems. Trenton State
has already spent $400,000 on its
computerized monitor.
So costly are drafts and leaky val-
ves that Penn recently assigned a
10-man maintenance team to a full-
time job of monitoring plant equip-
ment, heating and water valves,
thermostats and burning lights in the
117 buildings on the West Philadel-
phia campus.
Horace Bomar, who runs the sys-
tem for Penn, defended its cost.
"By making sure our equipment is
properly calibrated and maintained
and not wasting energy, the 10-man
crew pays for itself in less than a
year," Bomar said.

Tomorrow: Educators see harder
times ahead for the nation's col-
eges.
Mergings, closings and sharing predicted for survival of fittest

By SAM W. PRESSLEY
Of The Bulletin Staff

Colleges and universities face tough challenges and decisions ahead.
And only the strongest and fittest are likely to survive in the next decade.

Educators, assessing the impact of inflation, tight budgets, rising energy costs, and declining enrollments on higher education, predict that colleges and universities will face:
- Mergings and closings, especially of small, private schools.
- Difficulties maintaining academic quality.
- Sharing of graduate and undergraduate faculties within universities.
- Part-time students outnumbering full timers.
- A change in college population, with as many students over 21 as under 21.
- The loss to private industry of top professors and administrators whose salaries fail to keep pace with inflation.
- Increased competition from cable television and videotapes that will revolutionize the way students traditionally receive a higher education and cut into colleges' enrollments.

But while some institutions plan and fret over their strategies for coping with bad times, for many colleges squeezed by tight budgets and declining enrollments, advice on how to survive comes too late.

In the 1970s, 141 private colleges and universities closed — 57 four-year institutions, 45 two-year ones, and 39 specialized schools, according to the National Institute of Independent Colleges and Universities.

But despite the often dire predictions, some educators and college officials remain optimistic for the future of their industry and don't buy the argument of academic doomsayers.

"I have survived 50 years of higher education. And thinking back on the Great Depression era (of the 1930s) and World War II when we were targeted for folding and the slump in the 1950s, I must say that we have proven to be resilient. We have faced worse times than we are likely to face in this decade," contends Dr. Allen T. Bonnell, president of Community College of Philadelphia.

Bonnell added, "Things may be tough. But we will just have to be very, very wise and judicious in our expenses and how we operate. That is my instinct."

But even Bonnell admits, where there is smoke there is also fire.
Demographic and economic trends are very real and are clearly having an impact on the nation's colleges and universities, educators say.

First, tuition rates, which have doubled in the last decade, mixed with reductions in federal and state funding for student aid, spell trouble for future college enrollments. A major problem is the number of available students.

Due to a bottoming out of the national birthrate, the 18-year-old population will decline 25 percent over the next few years and will become an "endangered species," according to Robert H. Atwell, vice president of the American Council on Education.

States experiencing enrollment increases are likely to be Sunbelt colleges in the South and Southwest, where the general population is shifting to these states' better economic times, reported the Carnegie Council on Policy Studies in Higher Education.

Meanwhile, northeastern schools are likely to lose students.

Surveys conducted for Pennsylvania schools, for example, show that the traditional 17-to 23-year-old college age population market in the state will decrease 17 percent between 1984 and 1989.

The survey, entitled "Pennsylvania Enrollment Planning Project," was commissioned by the state's Department of Education to aid colleges in their recruitment plans.

To fill the gap left by traditional students, colleges will be competing heavily to enroll the "new student majority" — adults.

The age of undergraduate students has inched upward in recent years to the point where the average is now 25, said the American Council on Education.

Currently, part timers make up 42 percent and women compose 51 percent of the total enrollment at the nation's 3,000 campuses, said Dr. Ernest Mickler, assistant to the vice president for planning and operations at the University of Alabama, who annually surveys national enrollments.

This fall, colleges opened their doors to a pleasant surprise. Total college enrollments were up 1.6 percent, to 12.3 million students.

Accounting for most of the growth is the enrollment at community colleges, and an increase in part-time students.

The modest increase comes at a time when the number of 18-year-olds in the nation's population is on the decline.

But demographers and wary educators say the modest increase in enrollment is, ironically, perhaps, further proof that future college enrollments may generally be on the skids.

In bad economic times, people unable to find jobs and students already in school historically look to colleges to improve their economic status, said James A. Ream, executive director of the Pennsylvania Association of Colleges and Universities.

But when the economy remains sour and students see that even the list of jobless college graduates is growing, people become hesitant about spending money for college.

George Washington University professor Amitai Etzioni, a former White House adviser, predicts that it will take at least 15 years for the United States to pull itself out of the current economic slump.

Such an economic downturn, the sociologist says, may require college presidents to do more than trim spending but also restructure their institutions. For example, he said, graduate and professional schools at a college may share faculties, with a resulting savings in salaries.

According to enrollment expert Dr. Mickler, demographers may have to revise "upward" their projections about declining student enrollment.

"They (demographers) must now weigh the negative impact of the reduction in federal support for student aid," said Dr. Mickler, referring to cuts of $2 billion in federal loan and grant programs this year.

"The impact of modified student financial aid will have a far greater impact on college enrollment next fall than the demographers have projected."

Within the next five years a shift of students from private schools to low-cost public colleges will result in a reduction in new enrollment at private colleges of between 15 to 20 percent, according to the National Association of Independent Colleges and Universities.

One optimist, however, is Temple University President Marvin Wachman, who speaks from his vantage point of three decades in academia, including roles as college professor, administrator and president.

"There are just too many people out there who will be the first generation of their families to go to college. The great majority of people still look to colleges for upward mobility," said Dr. Wachman, a self-admitted "eternal optimist."

Wachman added, "Colleges are still needed to turn out future leaders and train people for an increasingly technological society. Colleges pump millions and millions of dollars each year into the economy. The next four to five years for us will be difficult, sure. But we will bounce back. We will."

After years of paying little or no attention to the time when their fortunes would turn, colleges, Wachman said, "must learn, are learning." Sometimes painfully, to cope with their latest, and perhaps greatest crisis.

And, Wachman said, colleges can only plan and hope that they — as private companies — will pass through these difficult times with their product — a higher education — still intact, attractive to potential buyers, and within the financial reach of most consumers.
Funding source is key to tuition rates

College tuition rates can vary from $672 at Bucks County Community College to $2,382 at Temple University, to as much as $7,230 at Haverford College.

Why the disparities?

The majority of private colleges depend on getting 65 to 70 percent of their operating revenue from tuition, according to the National Center for Education Statistics in the U.S. Office of Education.

But at publicly supported institutions, which are funded primarily by state and county government, tuition covers only about 20 percent of operating costs.

Bucks and other two-year community colleges, for example, with two-thirds of their operating budgets provided by state and municipal governments, can afford to offer education to students at prices far below private colleges.

As a state-related institution, Temple University gets one-third of its budget paid for by Harrisburg.

Private institutions that enjoy national reputations like the Ivy League schools can charge top prices without risking a decline in applicants because their prestigious degrees are highly sought after, regardless of the price.

Colleges clobbered by soaring energy bills, employees’ salaries, and plant maintenance costs routinely pass the increases on to gripping students and their families in the form of tuition. But at community colleges, where a larger percentage of the cost is picked up by government, inflation has had a somewhat smaller impact on students’ bills.

College officials advise students shopping around for a school to select a college for educational reasons, then apply for financial aid — a grant, loan or subsidized work-study job — to make up the difference between what it costs and what they can afford to contribute.

Students’ need for financial aid generally isn’t a factor in their being accepted or rejected for admission.

— By Sam W. Pressley

About the author

Sam W. Pressley, 33, The Bulletin’s higher education writer, was graduated from Temple University in 1971 with a bachelor’s degree in journalism.

He has received several awards for his higher education reporting, including an “Outstanding High School Graduate” award last June from the Citizens Committee on Public Education in Philadelphia.

For his reporting on the decrease in the percentage of blacks and minorities in the nation’s law and medical schools, he was named runner-up in the 1981 Higher Education Reporting Award Program, sponsored by the College and University Public Relations Association of Pennsylvania.

Before joining The Bulletin in 1973, Pressley was editorial assistant at Business Information Digest, a Philadelphia newsletter, and at Iron Age, a Chilton Co. industrial magazine.

Sam W. Pressley studies college scene.
Rising Costs: Eroding Federal Support

U.S. Budget Cuts Hurt Students and Schools

On the eve of the president's budget message, the American Council on Education, an umbrella group for the nation's colleges and universities, has released an estimate of the impact of student aid cuts expected in the Reagan administration budget. The spending plan will be sent to Congress Feb. 8.

The budget "would cut federal aid available on the campuses by 50 percent for the academic year beginning September 1983—when college costs will have risen another 15 to 20 percent," said ACE President J. W. Peltason. (See graph on Page 3.)

"President Reagan's budget would eliminate over 2.3-million awards to needy students and impose restrictions on the Guaranteed Student Loan program, which would deprive some 600,000 graduate students of the principal means of financing their education," he declared.

"These recommendations ask Congress to abandon the national commitment, established 25 years ago under President Eisenhower, that 'no student of ability will be denied an opportunity to attend college because of financial need.'"

ACE estimates the administration will seek federal funding cuts for student aid administered on campuses by:

- 46 percent from the fiscal 1982 level tentatively approved by Congress in the continuing resolution passed last December;
- 49 percent from fiscal 1981 levels funding the 1981-82 academic year;
- 56 percent from the Reconciliation Act level established by Congress last summer. (See HENA Jan. 22.)

Pell Grants

For Pell Grants, federal awards that serve as the foundation for other student assistance, the administration will seek $1.4 billion—$900 million less than the fiscal 1981 continuing resolution level, and $1.4 billion below the program ceiling provided in the Reconciliation Act.

The program would be cut by 40 percent, removing more than one-million students from eligibility—almost one-third of current recipients.

Assistance would be ended to virtually all students whose families earn more than $14,000-a-year. Until last year, Pell Grants were available for students from families with incomes up to $27,000.

Aid for students at or below the poverty level would be sharply reduced by cutting the Pell Grant maximum from $1,800 in the present continuing resolution to $1,400.

Three Programs Eliminated

The budget would eliminate funding for three student aid programs:

- Supplemental Educational Opportunity Grants (SEOG)—currently serving about 615,000 students attending higher-priced institutions;
- National Direct Student Loans (NDSL)—in which new federal capital provides low-cost loans to 266,000 students;
- State Student Incentive Grants (SSIG), which provides state-matched assistance to more than 300,000 students.

The College Work-Study (CW-S) program would be slated for a 27-percent reduction, cutting 250,000 students off the jobs rolls.

The administration also will seek phase-out of the graduate fellowship program under Title IX of the (continued on page 2)
Higher Education Act, currently providing more than 1,200 fellowships to minorities and women.

Guaranteed Student Loans

To restrict access to Guaranteed Student Loans (GSL)—the Reagan budget would remove eligibility of graduate and professional students, who currently make up about 15 to 20 percent of all borrowers. More than 50 percent of graduate students nationally—600,000 students—are GSL borrowers.

Graduate students would be eligible for Auxiliary Loans to Assist Students (ALAS)—which carry a 14-percent interest rate instead of the GSL’s 9-percent rate, and do not provide the GSL in-school interest subsidy.

"This would increase graduate student indebtedness as much as 67 percent," Peltason emphasized. "Furthermore, the ALAS program operates in only 14 states and only 5 percent of its loans made to date were to students, suggesting that most banks will be reluctant to lend to graduate students.

"Clearly, the administration proposal could make it difficult for several hundred thousand students to continue their graduate education. This would precipitate a crisis in graduate schools throughout the country."

Undergraduate indebtedness would be increased about 19 percent by additional GSL restrictions, including doubling of the origination fee on new loans from 5 to 10 percent, requiring borrowers to pay market interest rates two years after graduation, and limiting eligibility to students with "unmet need." Currently borrowers repay at 9-percent interest and are automatically eligible at incomes up to $30,000.

"These proposals would make it more difficult to finance undergraduate education, particularly for middle-income students attending higher-priced institutions, and for students from low-income families who would be reluctant to borrow at market rates," Peltason said.

Additional Fiscal 1982 Cuts

The ACE president also noted that the administration budget will seek another $136 million in student aid cuts from the fiscal 1982 continuing resolution.

"Unless these rescissions are promptly rejected by Congress, they will further delay the spring timetable for awards for the 1982-83 academic year, making it more difficult for students to make their educational plans," Peltason said.

"Congress already has cut student aid programs for fiscal 1982 almost 12-percent below the administration’s original March recommendations, as President Reagan requested in September, but most other programs were cut 4 percent across-the-board."

Peltason pointed out that Congress cut student aid programs at the Reagan administration’s request three times last year.

First, fiscal 1981 rescissions totaled $200 million—a real cut of $600 million below the "current services" level necessary to maintain all current eligibles in the program.

Second, last August’s Reconciliation Act lowered authorization ceilings for student aid programs more than $1 billion below current service levels; restricted the GSL program to students with family incomes under $30,000; and phased out Social Security educational benefits now going to about 750,000 students, a cutback which will begin to take effect this fall.

Third, the continuing resolution imposed reductions totaling $600 million below the Reconciliation Act ceilings.

"These cuts already have eroded the national commitment to postsecondary opportunities," Peltason said.

Budget Hotline Number

A telephone company error has changed the budget information telephone number reported in last week’s edition of Higher Education & National Affairs.

The toll-free number for information on federal funding for higher education is 800-368-5705.
College Costs vs. Federal Student Aid Appropriations

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Total Federal Appropriations for Basic Grants and Campus-Based Awards*

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*Includes Pell Grants, SEOG, CWS, NDSL, SSIG

American Council on Education
Division of Governmental Relations
January 22, 1982

$1.8 billion (Reagan request)
Programs Launched By Wellesley To Encourage Scholarship On Women

Applications are being taken for participation in programs organized by the Wellesley College Center for Research on Women to encourage the incorporation of scholarship on women into traditional liberal arts courses.

The programs are intended to produce theoretical work and discussion which will help college teachers to improve their undergraduate courses by taking into account the new scholarly work on women.

Programs in the center's 1982-83 Faculty Development Program are:

- The National Consulting Program which will provide matching funds to deans or department chairs who hire consultants to help their faculty bring the new scholarship on women into the undergraduate curriculum.
  
  Consultants should have experience on projects aimed at helping faculty to balance the study of women and men in undergraduate courses.

  Applicants may choose their own consultants or draw from a list provided by the center.

- The New England Regional Seminar Program which will provide stipends to faculty within driving distance of Wellesley to participate in monthly interdisciplinary seminars. The seminars will focus on the implications of the new scholarship on women for content and methodology in nine liberal arts disciplines.

- The National Fellowship Program will provide about five one-semester fellowships each year to scholars who have been involved in projects integrating materials on women into the traditional curriculum or in minority women's studies.

  Fellows selected for the program will work at Wellesley College Center for Research on Women writing about disciplinary change and assisting with the monthly regional seminars. Maximum stipend for the fellowship is $10,000.

  Fellowships and seminars will focus on the humanities for 1982-83; social sciences for 1983-84; and science and technology for 1984-85. Interdisciplinary fields including black studies, American studies, international studies, and history will be considered in each year.

  Funding for the program includes support from the Mellon Foundation.

  Deadlines for 1982-83 are March 15 for the fellowship program, and April 15 for the seminar program. There is no deadline for the consulting program.

  For more information and applications contact: Peggy McIntosh, director, Faculty Development Program, Wellesley College Center for Research on Women, Wellesley, Mass. 02181.

Urged By Higher Ed Groups

Congressman Asks Social Security To Notify Students On Aid Deadline

Rep. Dan Rostenkowski (D-III.) has asked the Social Security Administration to notify families of eligible high school seniors that student benefits will expire for students not enrolled in school by May 1.

In a letter last week to Social Security Commissioner John A. Svahn, Rostenkowski, chairman of the House Ways and Means Committee which oversees Social Security, asked that letters explaining the change be mailed to every family receiving benefit checks.

"I recognize the difficulties you faced notifying the public concerning the social security benefit changes . . .," Rostenkowski said. "It appears, however, that the circular you had prepared describing the changes in student benefits could have been mailed to the families with children along with their benefit checks," he added.

Rostenkowski wrote to the agency in response to a suggestion by the American Association of State Colleges and Universities (AASCU).

As part of the effort to trim back the U.S. budget, Congress voted last August to cut off eligibility for Social Security aid to students who enrolled after May 1.

Until this year, benefits were available to children of Social Security recipients until the age of 19 if they were high school students and until the age of 22 if they were college students. For nonstudents, benefits expired at age 18.

Students covered by Social Security had been eligible to receive over $2,000 a year for school expenses.

The agency reportedly had no plans to notify high school senior of the cut-off date for benefits.

To be eligible, students must be enrolled and attending school full-time by the May 1 date.
GI Bill

Vietnam Vets Use Education Benefits, Report Finds

More Vietnam-era veterans use their GI Bill benefits than has been previously reported, says a recent independent study.

The study, prepared by Research Applications, Inc., Rockville, Md., examined records of over eight-million veterans that covered a 12-year period from 1966 to 1978.

The Congressionally-mandated study, entitled "The Utilization of Educational Entitlements by Veterans of the Post-Korean Conflict and Vietnam Era," looked at:

- The extent to which eligible veterans had utilized their GI Bill entitlements, and
- How many veterans had successfully completed their programs of education or attained educational or vocational objectives.

Highlights of the 399-page study are that:

- The percentage of veterans trained has increased from 60 percent among peacetime post-Korean conflict veterans to 72 percent among veterans who served during the Vietnam era only.
- Three-quarters of the veterans who trained after discharge used some form of VA educational aid, and an average of 60 percent completed training or reached an intermediate goal.
- The main reason cited by veterans for using VA educational benefits was to get or qualify for a better job.
- The study debunks the "Vietnam walkaway phenomenon" (that veterans who began training after release from active duty discounted their training a short time later).

The study indicates that more peacetime veterans left training than did Vietnam-era veterans.

- California had the highest number of veterans who trained—916,000. That's 14 percent of the national total, while Alaska had the lowest number, 0.2 percent or 9,927 veterans.
- For the entire post-Korean period, about 60 percent of the veterans attended institutions of higher learning.
- More than 72 percent of all veterans interviewed stated they were satisfied with the information they had received about VA benefits before entering educational programs.
- Almost 80 percent of the veterans interviewed stated they were satisfied with the amount of financial assistance received, and 81 percent said they received their GI Bill checks in a timely fashion. Almost 90 percent said their checks were accurate.
- When asked to rate the effectiveness of the federal government in covering the educational expenses of veterans, more than 70 percent judged the government to be effective.

Since the inception of the original World War II GI Bill in 1944, nearly 18-million men and women have used one of the three GI Bills at a cost of about $51 billion.

The post-Korean War GI Bill permits a veteran to use education benefits within 10 years following discharge from service, or by Dec. 31, 1989, whichever comes first.

A new program which requires financial participation by service personnel is available for those who entered the military after Dec. 31, 1976.

For copies of the report write to the Office of Public and Consumer Affairs, Veterans Administration, Washington, D.C. 20420.

The Best and the Brightest Contest Seeks Novel Ideas For Retaining Quality Faculty

Certificates of achievement and $5,000 cash awards will be made in June to ten universities and colleges in a contest for schools that have dealt effectively and innovatively with the problem of attracting and retaining gifted young faculty.

The search for innovative ideas is being conducted by the Academy for Educational Development, in cooperation with the American Council on Education and the Association of Governing Boards of Universities and Colleges. The entries will be judged by a panel of distinguished educators.

Winning ideas will be published fall 1982 in an "Idea Handbook."

For further information contact: Sidney Tickton, vice president, Academy for Educational Development, 1414 22nd St., N.W., Washington, D.C. 200037.
International Education

Clearinghouse Gathers Data On Foreign Student Recruiters

Reports of unethical practices in foreign student recruitment are familiar to most foreign student counselors.

A student arrives in the United States only to learn that the “admissions representative” who gained—or sold—him admission has misled him about curriculum, costs, or even location of the school.

In some cases, individuals enter the United States under false pretenses, by buying a signed I-20 form from a recruiter who represents a U.S. school which may exist as nothing more than a post office box number.

At the same time, legitimate recruitment is a fact of life for virtually every U.S. educational institution. How can responsible U.S. schools and overseas counselors determine whether a recruiting agent will represent fairly the best interests of both the school and the student?

The Foreign Student Recruitment Information Clearinghouse that has been established at the National Association for Foreign Student Affairs is collecting information on independent third-party recruiters to make it available to U.S. colleges and universities, overseas counselors and advising staff.

Last autumn, more than 100 third-party recruiters, in the U.S. and abroad, were asked to submit detailed information on a two-page questionnaire.

The clearinghouse will verify information if it seems to conflict with other sources of information. Schools and overseas counselors seeking information on a recruiter will be able to receive a copy of the information submitted by the recruiter.

Overseas student counselors are invited to provide the clearinghouse with information on third-parties recruiting students for U.S. institutions.

To help the clearinghouse gather information:
• Send copies of promotional literature and information your school received from recruiting agencies to the NAFSA central office.

This will ensure that the clearinghouse reaches all recruiters and gives them a chance to submit information.
• Mention the clearinghouse in correspondence with recruiting agencies. Your encouragement will be more powerful in inducing recruiters to send information.
• If you are a recruiter, or are affiliated with an organization which recruits, please contact the clearinghouse to make sure your group is correctly listed and receives the questionnaire.

While the clearinghouse cannot make value judgments on recruiting agencies, the information will provide international education professionals with information about your group.

Subjective information will be kept confidential. Inquiries about the clearinghouse should be sent to Mary Peterson or Patti Lynn Miller, NAFSA, 1860 19th St., N.W., Washington, D.C. 20009 or telephone (202) 332-3735.
February 10, 1982

TO: Presidents of Member Institutions
    Financial Aid Administrators
    Public Relations Directors
    Legislative Liaison Representatives

FROM: Morgan Odell

SUBJECT: Proposed Reductions in Federal Student Aid

The rumored Administration-proposed budget reductions are now a reality. Not only do they cut in half current year funding, in the minds of some Reagan Administration people they are a first step in eliminating any Federal role in higher education.

Here is the grim picture in Student aid funding:

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* GP0P are Graduate and Professional Opportunities fellowships for minorities and women and CLEO provides fellowships for minorities to attend law school.

Please see following page for explanation of column headings.
Explanations:

Column I are amounts being expended in current year.

Column II are amounts for expenditure in 82-83 academic year agreed to in continuing resolution which expires next month.

Column III are cuts below continuing resolution levels recommended by Administration for expenditure in 82-83.

Column IV are ceilings for 83-84 expenditures adopted in Budget Reconciliation Act of last year (without extraordinary action these are the maximum levels at which programs could be funded).

Column V are Administration budget proposals for expenditures in 83-84.

Guaranteed Student Loan Program (GSL) costs continue to rise, forcing the Administration to request a $978 million supplemental for FY 82, for a total of $2.75 billion. The Administration would double the origination fee from 5 to 10 percent (i.e., to obtain a $2,000 loan a student would have to borrow $2,200); the $30,000 income eligibility cap would be replaced by limiting eligibility to unmet need; borrowers would be required to pay market interest rates two years after entering repayment instead of the current 9 percent; and graduate and professional students would be removed from eligibility.

The Administration recommendations are the greatest threat to independent higher education since World War II. Because the Federal funds make "choice" possible for many of the students who attend independent colleges, a sharp reduction of these funds would be followed by a shift of students from independent institutions to public universities. It is noted that 94% of higher education funds distributed by the Federal Department of Education go to students while 94% of the higher education funds distributed by the states go to institutions.

The budget cuts proposed by the Administration would devastate the ability of most independent colleges to compete for middle income students, and perhaps for lower income students as well. The consequences would be an estimated 15% to 20% shift in independent sector enrollment to public universities within two years, and the resultant crippling of many independent colleges. The lost federal dollars could be replaced by large increases in state student aid programs or by a great upsurge in private giving to colleges and universities. But during the coming years few states will be able to increase their student aid funding even enough to keep pace with inflation and only a handful of institutions could hope to raise sufficient gift income to match inflation and also fill in the gap created by the withdrawal of federal funds.
Many individuals associated with independent colleges and universities support President Reagan and his policies. Here are some items that might be brought to their attention.

1) In recent conversations with university presidents both James Baker and Ed Meese of the White House said they did not understand that the proposed cuts would have a disproportionate effect on independent sector students and institutions.

2) While the federal budget would be reduced, the resulting shift of students from independent to public institutions would in time raise the tax burden at the state level. Fewer dollars to meet the costs of education would come from students and families. More students would become more dependent on tax dollars.

3) Administration officials have said that they propose no general budget cuts but only a slowing of budget increases. This is clearly not the case with Federal student aid where an overall reduction of 50% is proposed in the Pell, SSIG, and three campus based programs. (It appears the overall reduction for students in California independent institutions would be closer to 60%, while California public university students would be cut about 50%. The average loss per financial aid student is roughly estimated to be $700 in independent institutions and $500 in public universities.

**Recommended Actions**

1) Designate individuals or campus committee to head up Federal student aid efforts.

2) Estimate loss of funds and awards for students on your campus that would result from Administration budget proposals (worksheet is enclosed with copy of this memo sent to financial aid officer on each campus).

3) Distribution to key persons on campus of materials provided by Washington interassociation Action Committee for Higher Education. (See other side of this sheet for campus activities suggested by Action Committee.)

4) Prepare news release describing effects of proposed reductions on students at your institution. Stress current level of self-help (work and loans) on part of your students as well as parental contributions. Arrange meetings with media representatives featuring statements by individual students as well as faculty and staff.

5) Encourage messages to your congressman and others close to your institution—messages from students, faculty, alumni, friends. Most certainly is the time to enlist the help of trustees who have good contacts with congressmen or members of the Administration.
It is strongly recommended by the Action Committee for Higher Education that each college and university, at the discretion of the institution's chief executive officer, organize a campus action committee. Such a committee might be composed of students, faculty members, members of the Board of Trustees, representatives from the community, and other concerned persons.

The campus action committee might undertake any one or more of these activities:

1. Organize a Budget Cut Forum, with members of Congress on hand to answer questions.

2. Organize a community-wide petition drive in opposition to the proposed budget cuts for student aid and higher education.

3. Serve as an Information Clearing House for local media, parents, students—anyone with questions about the issue.

4. Solicit and record personal testimony from students, parents, faculty, etc. about the effects of the budget cuts on their plans and programs. Make this testimony available to the media and to the Action Committee for Higher Education.

5. Arrange for distinguished alumni in business, national sports, and national media to speak in support of higher education and student aid.

6. Organize a campus-wide campaign to alert students and faculty to the proposed budget cuts and the effects these cuts will have for the student body.

7. Circulate samples of letters that could be sent to Congress and to the local media, while encouraging members of the community and the student body to send individual letters.

8. Act as a contact point for the activities of the Action Committee for Higher Education. Call our toll-free number with the name or names of the individuals we should be in touch with. (800) 368-5705
REAGAN BUDGET CUTS

For the past several months the news media and higher education publications have been reporting anticipated further cuts in the Administration's budget for higher education. Those anticipated proposed cuts are now a part of the Reagan budget. Table I below was prepared by the AICCU; it reflects Student Aid Programs Current funding (Col. I), funding for 1982-83 provided by Continuing Resolution passed by the Congress last Fall (Col. II), possible further reductions in the programs for 1982-83 as recommended by the Administration (Col. III), ceilings for 1983-84 approved in the Reconciliation Act of last year (Col. IV), and the 1983-84 Reagan budget (Col. V).

FEDERAL STUDENT AID BUDGETS

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<td>SEOG</td>
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<td>278 M</td>
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<td>$82.3 M</td>
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Graduate Fellowships:
*GPOP | $10 M | $ 8.6 M | $ 14 M | -0- |
Public Svc. | 2 M | 1.9 M | $ -1.9 M | -0- |
*CLEO | 1 M | 0.9 M | $ -0.1 M | 1 M | -0- |

* GPOP are Graduate and Professional Opportunities fellowships for minorities and women and CLEO provides fellowships for minorities to attend law school.
In summary, the Reagan Administration has proposed approximately $141.4 million additional cuts in the 1982-83 fiscal year budget except in Guaranteed Student Loan funds where loans already committed will force that amount to increase by some $978 million (Col.III). The impact of these cuts, while not disastrous, will be felt by USD as our tuition increases and the various Federal supports decrease. We believe sufficient funds from operations have been budgeted for 1982-83 to offset the widening gap between need and federal subsidies. The same is not true for the 1983-84 fiscal year. According to the Reagan budget for 1983-84, higher education funding would be further decreased as indicated in Col. V. While reductions in proposed total funding amount to 27% in the 1983-84 Reagan budget over the current level, the reductions in all programs other than GSLs amount to 49% of current levels. AICCU estimates that the consequences of the Reagan budget, if adopted, would be a 15 to 20 percent shift in independent sector enrollment to public institutions within two years. All of these figures are expressed in constant dollars. Bear in mind the fact that we are still in an inflationary economy which will exacerbate the withdrawals' negative impact.

Herb Whyte, USD Director of Financial Aid, has translated 1983-84 Reagan budget figures to the USD student financial aid program for undergraduate students. See Table II. Column I of Table II indicates current levels (1981-82) of funding from the various sources of Federal assistance. Reagan recommended percentages of decrease are shown in Col. II and the amounts of decrease in Col. III. The amount that would be available in each program is shown in Col. IV.
### TABLE II

<table>
<thead>
<tr>
<th>Column</th>
<th>I Total Funds 1981-82</th>
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<td>* SSIG (Cal Grants A&amp;B&amp;C)</td>
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<td>TOTAL</td>
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An estimated loss of $1,048,685 for 1983-84 translates further into decreased financial aid for 938 recipients as currently enrolled. Should the Reagan budget find its way through the Congress and become the basis for appropriations for 1983-84, the loss of $1,048,000 would have to be met from other sources to maintain our current levels of supporting 938 recipients' needs.

In the months ahead, we will attempt to increase the University's resources and review its policies for maximizing financial aid to our students. Although it is difficult to predict, it appears that USD has enough of a head start to divert any disastrous complications from Federal cutbacks. However, the variables in the financial aid equation are several and their interrelationships complex. Future financial aid at USD will depend upon such factors as the extent to which the Reagan budget is accepted, the student aid programs impacted by proposed withdrawals, Federal support to the States, the increased involvement of the public sector in the Cal Grants (California State Scholarships) programs, the inflow of private funds to colleges for financial
aid, tuition levels, living expenses, and the availability of part-time employment.

As we work to sort out the pieces of the student aid puzzle we will attempt to keep you informed about potential impact. In addition, we may ask for your support in contacting friends in the Congress or Administration to express concern for the rapid shift in budget priorities which have heretofore supported equal choice and access to higher education. Hopefully, the Federal support system developed over the past 24 years can be retained, or at least the efforts to rapidly dismantle it can be diffused. Attempts will be made to slow the reductions and to direct their impact.

**FUNDING FOR SCHOOL OF LAW**

Reagan's proposal to bar graduate students from the Guaranteed Student Loan Program will have a profound impact on Law School students, if adopted. In 1981-82 USD Law students will borrow approximately $4,000,000.00 under this program compared to only $345,000.00 of aid provided through the other two federal programs available to graduate students (CWS & NDSL).

At least 80% of USD Law students borrow annually under the G.S.L. program. Most borrow the maximum amount of $5,000.00 per academic year. Eliminating access to this program would create serious difficulties for many, if not most, graduate Law students.
Colleges Will Feel Pinch From Belt-Tightening

(Continued from B-1)

The College Work-Study Program would be reduced from $550 million to $484 million and then $398 million, while the Pell grants (the former Basic Educational Opportunity Grants) will be reduced from $2.346 billion last fall to $2.187 billion this fall, and $1.4 billion the following year.

"That is nothing short of a disaster," said Rutter.

And in speaking to the University of California Board of Regents last week, UC President David S.axon said, "Such a decline can fairly be described as catastrophic."

Then there is the proposed overhaul of the Guaranteed Student Loan program — the largest and most controversial student aid program ever introduced.

"Last fall, $2,535 billion went into the program. That will climb to $2,752 billion this coming fall and then fall back to $2,465 billion in the fall of 1983."

"For more than 80 percent of that does not go to students, it goes to the banks to supplement the interest on loans that students take out. Of the $2.5 billion for last fall, only about $500 million was available to enable students to get new loans. The other $2 billion was the government's guaranteed subsidy to the banks," said Rutter.

Under the GSL program, students take out bank loans to help meet expenses. The government pays the bank the current market interest rate on the loan while the student is in school. After graduation, the student pays 9 percent interest, the government continuing to pay the balance up to the going market rate, and the student starts to repay the loan. Should the student fail to repay the loan amount, the government guarantees payment to the bank.

The government, however, cannot put a cap on the cost of the GSL program, because it is an entitlement — any family who qualifies can get a loan — rather than an appropriated program whose cost can be controlled by congressional appropriation.

In an effort to bring in some controls, the Reagan administration has proposed first that all graduate students be disqualified from the program — a move described as being against the nation's interests by university authorities,

- removal of the government's payment of interest on the loan interest after graduation,
- introduction of student interest charges while in school.

In addition, students give 5 percent of their present loans back to the government before they even see the money to help offset the cost of the interest during their school years. It is now proposed that this be increased to 10 percent each year.

The financial aid officers expressed horror at the proposal to deny GSLs to graduate students.

"That is incredibly shortsighted," said Whyte.

Whyte stressed that contrary to general public belief, more students at the private universities will suffer from cuts in federal aid than those at public schools.

While about 30 percent of the students at San Diego State and UCSD have loans and grants, more than 65 percent of USD students receive aid.

Whyte said student aid helped a broader range of students to enter the private institutions and warned that the cuts "could destroy the exciting diversity of students that has been developed here and on other private campuses over the years."

Nate Rowsey came to USD from Florida, and Craig Beaver is from Chula Vista.

"I'm here on loans from the GSL and the NDSL, but I can't get one for my final year," said Beaver.

"I'll make it one way or another for my final year," said Beaver, a junior. "But if this had happened to me earlier, it would probably have been all over for me at USD and I would have been forced to transfer to (San Diego) State," he said.

Rowsey said he looked at his financial statement for the year and "I came up short."

"I am taking some classes at Mesa College this year to help cut back on expenses because I want to graduate from USD," he said.

Whyte warned that if large numbers of private universities students were forced into the public campuses, the taxpayer might not find it a bargain.

"Remember that the taxpayer provides $4,400 for every student attending the 'free' public campuses," he said.

The loans and grants taken out by public campus students are used mainly for living expenses, plus books, travel and relatively minimal university fees of less than $500 at the state college system and $1,000 at the UC system.

In the private universities, the families usually bear all the living, travel and other costs, and take out the loans and grants to meet additional tuition costs, which at USD for example, total almost $4,000 a year.

"Private universities are a good deal for the general taxpayer, saving enormous amounts of public cost. Sometimes that is forgotten," said Whyte.

If Congress goes along with the Reagan administration proposals, it will unravel more than 20 years of attempting to bring some equality of opportunity into higher education, said Pearson.

If the federal government steps back from its financial involvement and tries to make the states fill the void, each state will react in a different way, reintroducing the old conditions under which the quality of higher education available to people depended on where they live, he said.

"I don't think anyone will argue that the GSL program got completely out of hand, but that is as much the fault of Congress as anyone," said Whyte.

The inequity of it all is that all the other loans and grant programs are now being cut to pay for the GSL problems despite the fact that those other programs are based on a student's family proving their need through a process that is even more demanding than a tax return," he said.

To Rutter, the picture, which is confusing to financial aid experts, "must look horrendous to the student and his or her family."

"There is a great danger that as they look at the tremendously uncertain future evident in the next few years, they may decide to turn to the job market, further aggravating the already acute unemployment problems," Rutter said.

"And," added Whyte, "they will have been forced to settle for less in life because these opportunities for development are being taken away."

"What makes you want to cry," said a student, "is that many of the people who now want to cut these programs are where they are today because they took advantage of the programs they now want to cut."
Runnin' On Empty

... Colleges Prepare For Pinch Of Federal

By MICHAEL SCOTT-BLAIR
Education Writer, The San Diego Union

Thousands of San Diego college students see the next few years as the bleakest financial picture in two decades because of the federal government's proposals for cuts in student financial aid.

If anyone benefits from the federal proposals for the next two years, and that is considered doubtful, it is the nation's banks. For everyone else - students, universities and taxpayers - it is a disaster, agreed the financial aid experts of the University of California at San Diego, San Diego State University and the University of San Diego.

"That is a horrifying picture," said UCSD's financial aid director, Thomas M. Rutter, as he surveyed a wall chart of the Reagan administration's proposals.

It showed longstanding programs completely drying up in 24 months, and others suffering massive reductions.

"By the fall of 1983, more than half of the total federal money going out under the heading of student financial aid will be going into the banks to pay interest on federally guaranteed loans. We are talking of well over $2 billion. It's the best thing that ever happened for the banks," Rutter said.

As a result, the 3,000 students at UCSD receiving some type of federal aid will, for the first time, be advised this year that they should take out a loan to meet expenses.

"The average student will be $1,000 short this year, and up to $2,500 a year short by the fall of 1983 if Congress goes along with the federal administration's proposals," he said.

At San Diego State, Thomas R. Pearson, director of the financial aid office, said that up to one-half of the roughly 11,500 students now on some form of aid could be cut out if all the federal budget reductions are made.

And at USD, 59 percent of the 1,584 grants being received by students would be lost by 1983, said Herbert S. Whyte, director of financial aids.

Engineering junior Frank Benton of San Diego State summed up his feelings with a feeble appeal for "help."

"I am carrying a full load and work almost 30 hours a week on top of that. I applied for a loan and did not get one. My mother makes $20,000 a year, she is going to community college and my sister is here at State as well, yet I could not get help," he said.

"I have one more year to go and I will make it through, but I pity many of the students with years of study ahead of them."

Diane Dwyer is less than a year away from graduating, but if she had not managed to save part of an earlier loan, she would have been forced to drop out under the tightening regulations.

"It's gotten tougher and tougher every year for the vast majority of students. I know we keep hearing about the abuses, but I know that most of the students with grants and loans on this campus need that money to survive," she said.

Benton said that too many people incorrectly believe students party around, drink beer and whoop it up all the time.

"I am not gifted enough to just sail through the classes with relative ease. I have to do a couple of hours additional work at home at night, in addition to working at my job," he said. "My girlfriend and I don't spend all our time at parties."

Rutter pointed to the Reagan administration's proposals for the next two years.

The National Direct Student Loan program would be cut from $186 million last fall to $179 million in fall 1982, and to nothing the following year.

Similarly, the Supplemental Educational Opportunity Grant program would go from $370 million to $278 million, and then to nothing. And the State Student Incentive Grant Program would scale down from $77 million to $35 million and then zero.

(Continued on B-8, Col. 1)
Hot Line Number Correction

The toll-free federal budget information number of the Action Committee for Higher Education is changed resulting from a telephone company snafu.

The number is: 800-368-5705; or 202-293-7050, ext. 77 in the Washington, D.C., metropolitan area.

The Campaign’s Rolling

A national effort by the higher education community to beat back the proposed Reagan budget cuts to education is garnering media attention, prodding local campuses to action and alerting Congress to the threat and impact.

Budget Clearinghouse Launched

As part of the drive to halt the cutbacks, Washington-based higher education groups have organized a coalition, the Action Committee for Higher Education, to mobilize campuses.

Action by local campuses is the thrust of the campaign waged by the coalition.

As part of the effort, beginning in January, the coalition:

- Mailed 8,000 letters in mid-January to all U.S. campus presidents, alumni directors and public affairs officers alerting them to the severe budget proposals and outlining the depth of cuts.
- Prepared and mailed 8,000 orientational information kits geared toward generating grass-roots awareness and action by students, parents, trustees, alumni and community leaders on the financial aid issue.
- Prepared and mailed 8,000 search, would be cut
- Pell Grants, 40 percent, from $2.279 to $1.4 billion, eliminating over one million students. (Income eligibility would also be lowered from $27,000 to $16,000.)
- College Work-Study, 28 percent, from $528 million to $398 million, eliminating 250,000 student job opportunities.
- Three major programs—Supplemental Grants (SEOG), National Direct Student Loans (NDSL), and State Student Incentive Grants (SSIG)—are zeroed out of the budget.

Reagan Budget = Massive Cuts

The proposed massive cuts have most budget observers wondering if doing away with the federal role in higher education is the goal of the Reagan team.

Eliminating half of student aid funding from present levels is the Reagan plan for the 1983-84 academic year.

Categorical programs supporting, for example, international exchange, libraries, cooperative education and educational research, would be cut 30 percent.

For specific student aid programs, the cuts are:

- Pell Grants, 40 percent, from $2.279 to $1.4 billion, eliminating over one million students. (Income eligibility would also be lowered from $27,000 to $16,000.)
- College Work-Study, 28 percent, from $528 million to $398 million, eliminating 250,000 student job opportunities.
- Three major programs—Supplemental Grants (SEOG), National Direct Student Loans (NDSL), and State Student Incentive Grants (SSIG)—are zeroed out of the budget.

News Media Attention

National and local news media have been impressed by the depth of the proposed cutbacks and have responded with:

- Coverage of the Capitol Hill news conference by the Washington Press Corps including: the major U.S. wire services, the Associated Press and United Press International; Gannett News Service (more than 82 newspapers in the nation’s largest newspaper chain); Newsweek, Money Magazine, Houston Post, London Times, New Orleans Times-Picayune, States News Service; and education specialty publications such as Higher Education Daily and the Chronicle of Higher Education. Radio included Associated Press, NBC News and the RKO General Network.
- National television coverage including the CBS Evening News, Cable News Network, ABC World News Tonight, and ABC, CBS and NBC morning news shows.
- Front page articles in major U.S. newspapers including the (continued page 4)
**Action Around the Country**

- Between 3,000 and 7,000 students gathered in Washington on March 1 for what was probably one of the largest lobbying efforts mounted so far in opposition to the Reagan budget.

  The event, National Student Lobby Day, was given even more impetus by other student rallies at campuses across the country. Coordinators of the rally were the United States Student Association and the National Coalition of Independent College and University Students.

  The event was kicked-off with a press conference attended by most of the major news media and then moved to speeches by prominent members of Congress pledging support for student aid.


  Congressional offices report that student aid is one of the top issues recent mail coming into their offices. (USSA, 202-775-8943; COPUS, 202-659-1747)

- Following the students, Pennsylvania campus executives held their own lobby day. More than 200 representatives from the state's colleges and universities traveled to Washington to voice concern about the impact on Pennsylvania schools.

  The state would lose an estimated $88 million. (Pennsylvania Association of Colleges and Universities, 717-232-8639)

- Mary Lou Hildebrandt, director of financial aid, Northern State College, Aberdeen, S.D., wants community, civic and business leaders to know what cutbacks mean in terms of dollars lost to the local economy.

- The school's nursing campus executives to speak to groups about the potential economic impact of reduced student aid to the immediate community. Hildebrandt, Northern State College, 605-222-2640

- Drew Boster, director of admissions at Wartburg College, Waverly, Iowa, lets students know "early on what the real world is all about.

  His school has developed a one-page sample financial need-analysis test that lets students and parents know how much aid they could get under proposals for next fall and 1983-84.

  Students and parents are given the tests at high school nights and have results within two hours.

  "We tell them it's all ball-park estimates, but we're trying to get them a lead on what to expect," he says.

  Boster says about 85 percent of his students are on some type of state or federal need-based aid. (Boster, Wartburg College, 319-352-1200)

- Mike Anthony, staff writer for the Daily Egyptian at Southern Illinois University at Carbondale, has written stories describing the cutback's potential impact at his campus and the other SIU-system campus at Edwardsville.

  For example, more than 4,000 students would lose Pell Grants as total awards go from $1,145 to $5,135. About 2,000 students, now receiving Social Security benefits because their parents are deceased, disabled, or retired, would lose all benefits by 1985. (Anthony, Daily Egyptian, 618-536-3311)

**Massive Cuts, continued from page 1**

- SEOG, currently funded at $278 million, would cease, leaving 615,000 needy students without aid to attend higher-priced schools of their choice.

- SSIG, currently funded at $74 million, would be eliminated. The program provides about 300,000 students with state-matched grants.

- NDSL capital contributions, currently funded at $179 million, would end, thereby eliminating low-cost loans to 266,000 needy students.

  For the Guaranteed Student Loan program, the administration proposes changes to take effect this spring:

  - Doubling the origination fee from 5 to 10 percent.

  - Requiring borrowers to pay market-rate interest, instead of the current 9 percent, two years after starting repayment.

  - Removing graduate and professional students from eligibility. Some 650,000 graduate students—over half of graduate enrollments—would lose a chief aid source.

  Graduate students able to obtain loans under the Auxiliary Loans to Assist Students program—which carries a 14-percent interest rate and no in-school interest subsidy as does GSL—would have their debt burden hiked 67 percent.

  However, the ALAS program is operational in only 13 states and the District of Columbia. Only 5 percent of loans, to date, have been made to students.

  For undergraduates, doubling the origination fee and requiring market-rate interest after leaving school, would boost indebtedness 19 percent.

  Besides cuts for '83, Reagan has proposed rescissions—cutbacks from current spending authorized for '82—amounting to:

  - Pell Grants, $91 million; CW-S, $44 million, SSIG, $6 million and additional cutbacks for other programs.

  Minorities and women would be hit hard under the FY83 proposals. TRIO programs, which provide services to encourage attendance and retention of disadvantaged students whose families have never gone to college, would be cut 47 percent from $150.2 million to $82.3 million.

  The Talent Search and Educational Opportunity Center Programs, which counsel eligible students and provide information about postsecondary opportunities, would be eliminated.

  Graduate and Professional Opportunities fellowships for minorities and women, public service fellowships and fellowships for minorities to attend law school (CLEO), which are currently worth a total of $11.4 million, would be eliminated.

**Support Maximum Funding Set by Congress Last Summer**

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How To Talk To Congress

The Meeting

Set the meeting with the legislator's appointments secretary in Washington or district office. Give as much advance time as possible and indicate the topic to be discussed and length of time needed (15 to 30 minutes is standard.)

You may want to call your national association to bring you up-to-date on the budget situation before the meeting.

Discuss the specific issue and bring supporting material, if available, on the impact to your school, its academic program and students.

Stick to the facts. If you don't know the answer to a question, say so and promise to get an answer. Don't exaggerate or make up facts.

Explain issues clearly and succinctly. Legislators and staff follow many complex issues and can't be expert on all subjects. They need you to provide them with valuable information.

Don't fall into the trap of being diverted from the aim of your message by a legislator or staff aide who asks you where you would cut the budget.

Gracefully respond by saying that the federal budget is so massive that you cannot recommend cuts in other programs because you are not an expert on all programs. You just know what the cuts mean in your circumstances. Remind them of cuts already suffered last year.

At the end of the meeting thank the member or staff. Follow up with a letter supplying missing information and resummarize your points.

Coalition Building

The battle over funding student financial aid programs will be won or lost based on grass-roots pressure brought on Congress. Work with these groups to organize a coordinated and comprehensive campaign:

- Students are most directly affected by cuts. Contact the campus newspaper and student groups to share information and organize letter-writing campaigns, joint visits to district offices, letters to all students, and local "hearings" on student aid. The financial aid office should inform students of proposed cutbacks and urge them to talk to their legislators.
- Faculty can provide analysis such as economic impact statements from loss of aid.
- Parents should be contacted and made aware of the cuts.
- Alumni can be politically effective because of their numbers, diversity and the offices they hold. Many have family members receiving aid. Use the campus alumni association.
- Trustees often have personal access to members of Congress and key government decision-makers. Their contacts should be identified and used discreetly.
- High school students and their parents may be unaware of the future impact for them. They can be reached through principals, administrators and college counselors in particular.
- Local business, especially in smaller communities, may depend on the college as the largest local employer. Bankers are also involved with the loan programs. Their support should be sought.
- State and local officials who often have access to federal legislators should be briefed and asked to relay the message.
- News media should be alerted. Utilize press materials from the Action Committee.
Form a Campus Committee

It is strongly recommended by the Action Committee for Higher Education that each college and university, at the discretion of the institution's chief executive officer, organize a campus action committee. Such a committee might be composed of students, faculty members, members of the Board of Trustees, representatives from the community, and other concerned persons.

The campus action committee might undertake any one or more of these activities:
1. Organize a community-wide petition drive in opposition to the proposed budget cuts for student aid and higher education.
2. Serve as an Information Clearing House for local media, parents, students—anyone with questions about the issue.
3. Solicit and record personal testimony from students, parents, faculty, etc. about the effects of the budget cuts on their plans and programs. Make this testimony available to the media and to the Action Committee for Higher Education.
4. Arrange for distinguished alumni in business, national sports, and national media to speak in support of higher education and student aid.
5. Organize a campus-wide campaign to alert students and faculty to the proposed budget cuts and the effects these cuts will have on the student body.

Upcoming Events

- A second news kit will be sent out soon by the Action Committee to help campuses gear up for key dates this spring.

Contents of the kit will include information on the president's budget, estimated impact and examples of how individual students, families, and schools across the country are coping with the cutbacks.
- Within the next few months Congress will be voting on the first budget resolution for fiscal year 1983.

That resolution will set ceilings for federal spending, including student aid and other higher education programs.

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**Action Committee for Higher Education**

1 Dupont Circle, N.W.
Suite 410
Washington, D.C. 20036
Fund Raising: Givers, Takers Find Dilemma Deepening

Corporations Playing a Bigger Role

By MARY LOUISE OATES, Times Staff Writer

Time was, when John D. Rockefeller with his dimes was the epitome of corporate giving.

Not any more.

Corporations over the past 10 years have vastly increased their contributions to nonprofit organizations, to educational, civic, health and educational institutions.

In California this year alone, according to one knowledgeable official, foundations will hand out about $125 million. Some of these grant-giving institutions are funded by corporations, and some of those same firms are part of nonprofit giving that will total another $125 million coming directly from the business.

Position of Power

The individuals supervising this giving—employees of corporate and community foundations, public-affairs officers of companies—are not themselves rich. But in a new, highly specialized field, with many of their jobs not even in existence a decade ago, these people are in a position of tremendous power to decide the course of education, culture and social reform of the 1980s and beyond.

With federal and state cutbacks—one foundation official said "half the agencies in town could go broke"—the role of the private sector looms larger.

The styles and substance change from foundation to foundation, from corporation to corporation.

Lloyd Dennis has just the kind of office you'd expect for a banker, high above downtown Los Angeles in the First Interstate Bank Tower. He's dapper in a pin-stripe suit, but he doesn't normally wear a vest.

"Bankers wear vests," he explained.

Dennis is a one-time journalist—who then became a special assistant to the secretary of the Treasury. He came to First Interstate 10 years ago as director of the foundation.

Lloyd Dennis says corporate givers are "going to look harder and make some tough choices . . . we are saying no 9 times out of 10."

Government Funds Diminish
Nonprofit Agencies Try to Locate Private Money

By JUANA E. DUTY, Times Staff Writer

In his address to the nation last September on the spending cuts, President Reagan exhorted financially disfranchised organizations to tap "the spirit of volunteerism" and develop a seek-and-find approach to get money from the private sector.

But the people who run those programs say that's a lot easier said than done.

For starters, many of these people are experts at writing proposals to get money for government-funded projects but often don't know the first thing about private-sector agencies ask. How do we get money from businesses and foundations now inundated by such requests and with less money to dispense because of the depressed economy; how do we keep agencies going until someone gives money; how do we raise large sums of money in the private sector when we have no idea how to go about it?

Here, the nonprofit sector provides some case-in-point tales on that pervasive new dilemma—what to do when government money runs out.

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Position of Power

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"Bankers wear vests," he explained. "But business does tend to all
When the fever subsided and I returned to a real but hazy world, my mental faculties remained in a sort of reverse coma. I was a poor patient. I do not suffer silently. When my temperature hovered at 101 degrees in my recent condition, I was in a test with pneumococcus, that prolific little savage, I hid under a heap of sheets like a frightened fetus and whimpered, fighting the enemy with nothing but surrender and despair.

For at least two days, my wife tells me. She was delirious, and this was the part that she enjoyed the most. I was either, since my conversation consisted of gibberish and non sequiturs, which made it impossible to answer.

**I have never enjoyed being sick, the way some people seem to do, but I must admit that I take a certain tenous pleasure in recollection that dreamlike interlude between the breaking of the fever and the renewed flow of health.**

When the nausea subsided and my strength gave tentative signs of returning, I took an interest in the ceiling; the hanging feeders; the soft gray sheen on the still water in the fountain. It was my world. The picture was coming back.

In addition, there are more than 30,000 nonprofit organizations in Southern California alone, according to a report by Lloyd B. Dennis, a senior vice president and director of public affairs for First Interstate Bank.

The President's proposals have prompted a lot of questions, groups like the Will Rogers, generally, but amazement and dismay. Those at nonprofit, public service

**When the question was repeated, I had to analyze it and ask myself whether I wanted any orange juice.**

Please see CHILD-CARE, Page 10

**The Money Pie**

In late 1981, the requests for money came in to Dennis in wave of more than 75%. "There are growing demands in the money pie, but the money pie has not substantially increased," Dennis said.

"We're going to look harder and make some tough choices and it's going to be difficult saying no, but we are now saying no more often. We are now saying no nine times out of ten," he said.

The types of organizations likely to get a yes, he said, are mostly in health and welfare, in human needs categories. But not all of First Interstate's dollars go to such organizations. Dennis said it's "a matter of the community in which the bank has branch operations."

The President's favorite project was "to make a sea tide creeping up on a long flat beach, I could measure my progress by the quality of material my mind could handle."

I had no interest in the paper. It was hard to hold up, for one thing, and I had no grasp of the meaning of the headlines. Poland and the national economy were part of a perverted world from which I had temporarily been removed, like an exhausted driver flagged off the track for a pit stop.

Even the sports pages were beyond my intellectual reach, not in the full tide of the game, but in the quality of material my mind could handle. I had no interest in the paper. It was hard to hold up, for one thing, and I had no grasp of the meaning of the headlines. Poland and the national economy were part of a perverted world from which I had temporarily been removed, like an exhausted driver flagged off the track for a pit stop.

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I tried reading William Buckley Jr.'s new book, "Marco Polo," and though I knew most of the words, the international intrigue was too complicated for me to follow, and even though I knew that the Sphinx was dying of cancer, and that Valenzuela and the Dodgers appeared to be on another" if resurrection, I soon found myself languishing through the days in waiting for "The Rockford Files" and "Hawaii Five-O" and other reruns of that genre whose main feature is the high-speed car chase ending in a flaming crash. I found myself partially addicted to entertainment, as happy as an alligator wallowing in a bank of warm mud.

When television began to pall, I knew that I was recovering, and would have to take some measures to get back into the rhythm of my life. I must make an effort; test myself; exercise my faculties, physical and mental.

The time had come, I knew, to push the button and stop the world. I

**I think the middle class is going to have to pay more to enjoy things they have been used to. Like in the areas of art and culture, but most important, the great middle class is going to suffer greatly in the area of education because of the cutsbacks in aid to education. As a result, I fear that we are going to develop an elitist type of educational structure which will only allow the very rich, or the very poor, to attend our schools. That means that talent, merit and intelligence—which are values so important and revered—will suffer.

And in the long run, the country will suffer because of the absence of young, quality minds—doctors, lawyers, architects.

But the gap between what the federal government used to finance and the ability of businesses or of foundations to make up the difference is Dennis' biggest concern.

People, he said, "are going to suffer considerably, because they have been reliant considerably on federal money pie has not substantially increased, because of the absence of young, quality minds—doctors, lawyers, architects.

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**Dancing to Poland’s Tune of Default**

I have not made up my mind yet whether I want to declare Poland in default on its loans. I've been wrestling with the problem ever since the Polish government declared martial law.

My first thought is that if we foreclose on them, it will teach them a lesson to pay their interest and principal on time. When I get a loan from the bank and put up my car or house for collateral and can't make the payments, the bank has no hesitation about taking them away. So I have always said, “What’s good enough for me is good enough for Poland.”

But apparently banks think differently about Poland than they do your average borrower.

Plummet, vice president of the “I Love New York Bank and Trust Co.,” explained why. Although Poland owes his bank a billion dollars, the company chiefs have no intention of declaring the loan in default.

“If we put Poland into default, we would be admitting we made a bad loan to it, and people would start questioning our banking judgment. So we have to pretend the country isn’t bankrupt.”

“I can see the bank’s reputation is at stake,” I said, “but how do you stay in the loan business if you can’t collect your money?”

“You have to understand international finance. All the Western banks have made loans to countries that are in almost as bad shape as Poland. If we foreclose on Poland, we would have to foreclose on other countries who can’t pay back their debts. This would cause some of the largest banks in the world to go under. As long as we pretend they are still good loans, we can all stay aloof.”

“But I thought the whole purpose of declaring Poland in default was to send a message to the present Polish government that we disapproved of their methods of squashing Solidarity.”

“Banks are not concerned with political messages. We have to think of our money first. If we foreclosed on Poland we have no hope of seeing any of it again. But if we can carry them, there is always the chance they may get on their feet and start paying back their interest. As long as they're paying their interest, we can pretend they are good credit risks, and then no one can criticize us for making a bad loan.”

“But in your heart you must know that’s a pipe dream.”

*International bankers live on pipe dreams. Let’s assume we declared Poland in default. That would leave it no choice but to turn to the Soviet Union for financial help. The Western banks would be cut off from ever loaning Polish money again. Other countries would say we were heartless and money-grubbing institutions, and if we treated Poland like that, we would probably treat them the same way. Our reputation as benevolent moneylenders would be destroyed.”

“So what you’re saying is that you would rather have the people in the bank responsible for making the loan could lose their jobs.”

“But I didn’t know you guys were goin’ to a MASQUERADE party, Mommy!”

“You don’t feel that way about some poor sap who can’t pay back his business loan, do you?”

“We would if he owed us a billion dollars. But if he borrows $50,000 and doesn’t pay us on time, we’re not going to let him get away with it. When it comes to piddling sums we have to be tough or nobody would pay us back.”

“Then as I see it, Poland has the Western banks over a barrel. They can’t pay you, and you can’t put them in default.”

“That’s the long and short of it,” Plummet said. “But for appearances sake we still consider them one of our blue chip clients.”

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**CONSUMER VIEWS**

**How do you compare one Medicare supplemental insurance plan with another?**

Despite the standardization that the Department of Insurance requires in the literature distributed by the insurance companies—which, theoretically, is supposed to make it possible to lay two leaflets down, side by side, and have instant understanding—it doesn't work that way. It's like laying Dustin Hoffman and Raquel Welch down, side by side, to make a similar comparison.

There is, however, hope in an excellent service provided on an annual basis by the San Diego monthly publication Senior World (and, coincidentally, the latest issue is hot off the press). This exhaustive piece of research compares, in chart form, all of the salient features of 12 of the better-known Medicare supplemental insurance policies circulating in Southern California—premums, pre-existing conditions, deductibles, reserves, and a half dozen other things you should know to make an intelligent decision.

San Diego residents can get the current issue, free, from local banks and savings and loan associations. Others can obtain it by sending $1 to Senior World, 4640 Jewel St., San Diego, Calif. 92109.

If you don't find the company in which you are interested in editor Len Hansen's study of the subject, you'll have to go to the public library's reference section and dig out the current issue of A.M. Best Insurance Reports, although it is far more technical. Best is published in two editions—one covering life and health insurance companies and one covering casualty insurance companies—and you may have to look in both of them because casualty insurance companies, as well as life and health insurance companies, are in the Medicare supplemental insurance business.

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**Legal Aid Foundation Speaker**

Elena Ackel, senior attorney for Legal Aid Foundation, will discuss “Avoiding Legal Pitfalls” at 10 a.m. Tuesday, Fiesta Hall, Plummer Park Recreation Center.
GIVING: Firms to Play a Bigger Role

Continued from First Page

But not all social hungers are going to be satisfied, Dennis said, since the current money-giving process is under a "double whammy," as federal cutbacks invite the nonprofit sector to come up with more funds for nonprofit entities while the current economy makes it more difficult to find the necessary cash to give away.

Dennis' prescription for the future of his bank's giving is that "we have to go broad instead of deep. We're a statewide bank and we can make a bigger difference in a small town with a little bit of money."

Donald Livingston gives away a lot of his time. As vice president for public affairs for Carter Hawley Hale, Livingston is the kind of fellow who makes President Reagan's private-sector approach look good. He is a premier volunteer-about-town. An eight-year veteran of the Reagan gubernatorial administration, Livingston is now an example of the business community contributing a person to the cultural and volunteer life of a city.

Like Lloyd Dennis, Livingston has served as chairman and president of the board of trustees of the Coro Foundation (and is himself a Coro graduate). But unlike Dennis, Livingston is a constant attendee at dinners, receptions, functions, board meetings—-an attendee when he is not the organizer of cultural, political or philanthropic events.

There is, Livingston said, in the face of the cutbacks, "an unusual increase in requests for support" from his corporation.

But, he is clear, "No one is going to be hurt who needs help."

"Obviously that is my own opinion. The truly needy, I'm satisfied that the truly needy are not going to be hurt by the cutbacks. There are a lot of people who have benefited from federal largesse who are not particularly in the truly needy category," he said.

'A Question of Priorities'

"I don't think it's a question of cuts," he said, "but a question of priorities. There are an awful lot of things that are nice to do, but are they really meaningful?"

Volunteers Livingston sees as an untapped resource. But will volunteers do the kinds of jobs that will be fulfilled by the cutbacks, he wondered.

"We have to go broad instead of deep. We're a statewide bank and we can make a big difference in a small town with a little bit of money."
Campus Unrest Of '60s Backfiring?

By MICHAEL SCOTT-BLAIR

Education Writer, The San Diego Union

Twenty years ago, people of wisdom warned that some day the nation's universities would pay for the unrest of the 1960s. Maybe that day has come, believes Dr. Arthur Hughes, president of the University of San Diego.

"They said that the public could not be abused by the campuses as it was; some day it would all come home to roost.

"And I think the nationwide disenchantment of that day might have cost us the public support that we need today. The universities are no longer a top priority," and as a result the campuses might not be able to gain enough support for the fight needed in offsetting massive cuts that have been proposed in university student aid, Hughes said.

Hughes recently was elected to the board of directors of the National Association of Independent Colleges and Universities, and will represent the western states in the association's advocacy efforts in Congress and the White House.

After talking with congressional representatives in Washington, D.C., Hughes said, "I keep hearing them say they will not support such deep cuts as are proposed by President Reagan, but I will not be convinced of that until Congress submits its own budget in answer to the President.

"The President's proposal would cut education aid to students by 40 percent over the next two years and Congress must see that such a cut is out of proportion to any other area of major budget trend," said Hughes.

The problem is, Hughes fears, that the public might have lost interest in supporting higher education to the degree that such cuts might be supported to help protect social services: defense spending.

If Congress supports cuts proposed by President Reagan, it will take billions of dollars away from the universities over the next two years, cutting student aid by more than 40 percent.

The "precipitous" speed of this withdrawal of federal support, is dangerous, and ignores the fact that it was the federal government itself that called for the expansion of the universities over the last 25 years.

Russia's Spoutnik launching showed that U.S. technology was being surpassed. It was the federal government that called for an increase in the number of highly educated citizens, and the federal government that developed the financial programs enabling as many capable people as possible to get into higher education.

"The universities did not go out and seek more people. The government asked us to do the job," said Hughes.

The universities responded and built a higher education second to none in the world, restoring the nation's technological leadership, but the government's present course is in danger of crippling that effort, he said.

"Despite their rhetoric to the contrary, education is not a priority with the Reagan administration," and it might be difficult to get widespread public support to head off the proposed cuts, he said.

The restoration of U.S. technological leadership enhanced the traditionally high esteem the public had for the universities, but this was severely eroded by the campus troubles of the 1960s and 1970s, Hughes said.

"The public became disillusioned with what they saw as a breakdown in the tradition of higher education from dependable consistency to the more liberal activism.

"There has been no overt effort to shift priorities away from education, but for years there have been enough national resources to meet the college program needs without putting strains on other national programs," he said.

"But today, higher education is in direct competition with defense, social security, prisons, and social programs for the federal dollar. This comes at a time when public support might be at its lowest in decades," said Hughes.

Hughes said that he and other campus leaders are not disagreeing with the need for cutbacks in the federal budget, and in federal support for the universities.

"But the 40 percent cut being faced by the nation's universities is far out of line with the other federal cutbacks," he said.

Cutts must be made, but little time is needed in making them, Hughes believes.

"I have been through this once before when the church found it was unable to continue the high level of financial support for the University of San Diego. It was not a lack of desire to help, it just was not possible any longer.

"We had a sudden cutback. We covered and are strong again today, but it took 10 years.

"There are some parallels in the federal government's financial position and cuts are necessary. I just say, give us a reasonable amount of time to adjust," Hughes said.

Hughes said he also "strongly disagreed" with a tendency for more people, and members of the Reagan administration, to see student financial aid as "some kind of welfare program for students, and therefore ripe for the President's budget-cutting ax.

"That is totally untrue. An educated population is an investment in the national future. An enlightened society is the foundation of any successful democracy, but the federal government proposals could put that enlightened society on the endangered list," he said.

"Everyday life is becoming increasingly complex and people in a free, participatory democracy need more education if they are to play their part in it," Hughes said.

"The USD campus faces losses of $700,000 next year and $1.2 million in the 1983-84 fiscal year, which could result in up to 900 students being forced out, he said.

"Campus leaders do not believe the overall enrollment at USD will be hurt, because there is a good flow of applications each year. But the cultural and ethnic diversity that has expanded on the campus in the last 10 years could be eroded as a higher percentage of the more well-to-do, mainly white, families become evident among the applicants, the campus authorities fear.

"The students who are pushed out for financial reasons will not necessarily be denied an education, said Hughes.

"The are bright students, often high in their graduating class, and they will earn their place in the public universities.

"That means the taxpayer in California will have to pick up the cost of over $4,000 a year for each of these students who previously were willing to join their families in taking out loans in addition to their taxes for the benefits they perceived in a private university.

"That is unjust to the students, the campuses, and the general taxpayer," Hughes said.

"If the cuts go ahead with the proposed severity, then 10 to 20 years from now, the nation may be paying the price with a depleted higher education system and all the attendant disadvantages — It may well come home to roost once again," Hughes said.

"An enlightened society is the foundation of any successful democracy, but the federal government proposals could put that enlightened society on the endangered list."
Continued from Third Page

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Although Stanford has enough private sources of in-
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At a press conference at Mills College in Oakland ear-
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“We foresee that many students will be forced to give
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sities,” the statement says.

“Ironically, as they turn to the area’s public institu-
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At the University of California, according to the Post Secondary Education Commission's analysis, the Reagan budget for the next two fiscal years would result in a loss of more than $8 million in the largest of the federal programs, the so-called Pell Grants. In the current year, the university is receiving nearly $20 million under that program. An additional $2.6 million would be cut from the university's $9.5 million in its work-study program.

UCLA's share of those cuts would be nearly $1.8 million from its current $4.4 million Pell Grant allotment and $715,600 from its $2.6 million work-study funds.

The 19 campuses of the California State University would lose nearly $12.6 million from the current $31.1 million Pell Grant budget and $2.6 million from the current $9.5 million college work-study funds.

Similar reductions would be seen at the community colleges, the commission reported.

The $43.4 million now allotted under the Pell Grant program would be reduced by $17.5 million, whereas the $12 million work-study program would be cut by $3.3 million, the commission said.
IMPORTANT FACTS AND ISSUES
Impact on California and Its Citizens

1. A strong California economy relies upon a well-trained pool of human resources. The proposed financial aid cuts will effectively eliminate thousands of individuals from our State's educational system at a time when the State faces a crisis in economic productivity, a growing shortage of technically trained individuals, and in a period of rising unemployment.

2. A well-educated and technically trained populus is a key factor in California's technological growth and economic prosperity. The millions of dollars spent on education have produced the scientists, engineers, and skilled technicians needed to run new businesses, to maintain vital defense industries, such as aerospace, and to make breakthroughs that have benefited us all.

3. Investments in higher education and university-supported research--much of which is carried out by graduate students--has attracted high-technology industries to California. If financial aid cuts are made, especially at the graduate level as are proposed, critical fields like medicine, engineering, and computer sciences will lose many talented individuals and will diminish California's ability to attract and hold these industries in the State.

4. Cuts in aid programs for graduate students will have a detrimental long-term impact on agriculture. Agriculture is the number 1 industry in California and is a major contributor to U.S. productivity and trade, and its tremendous output is substantially due to research performed in government-supported universities by faculty and graduate researchers.

5. The Administration claims that only the well off will be affected by decreases in financial aid. Not true. The cuts will eliminate thousands of poor and minority students from the State's financial aid programs. No longer will these students have the access to educational opportunities traditionally provided them by these programs. Figures show that the cumulative effect of the proposed cuts will be to eliminate virtually all assistance for students with annual family incomes between $14,000 and $26,000 at a time when inflation and rising costs are eroding family budgets every year.

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6. Some contend that the growth of federal student aid has undermined the role of students and their families in paying for college. However, the National Center for Education Statistics calculates that 38 percent of freshmen in 1980 were employed, up from 29.9 percent in 1970—and freshmen are thought to be less likely than upperclassmen to work. With unemployment running high and College Work Study grants slated for cuts, it is unrealistic to assume that students can significantly increase their earnings to cover increasing tuition costs and increased costs of textbooks, housing, and transportation.

7. Middle-income students will suffer under the proposed financial aid cutbacks. A majority of students currently pay for their education through a combination of parental assistance, loans, grants, and part-time employment. Under the proposed changes, fewer students will be eligible for grants and loans, grants will be smaller, and loans will cost more. The initial fee paid by borrowers when they take out a loan would double and the interest rates would increase from 9 percent to market rates just two years after the borrower leaves college. At a time when college costs are escalating at about 13 percent a year—with some colleges costing up to $12,000 a year to attend—it is likely that "middle-income" students will not be able to afford the increased debts they would face if they are forced to rely more on loans.

8. The proposed cuts will deny minority and low-income students the opportunity provided by financial aid to attend college. Most minority students depend on some form of financial aid, and would be severely constrained by its loss. The new budget proposals undercut the progress made toward opening the doors of our colleges and universities to all qualified students regardless of their ability to pay and represents a complete turnaround in the commitment of the federal government toward equality of educational opportunity. Over the past several years, financial aid programs have served to provide low-income students with a realistic opportunity to escape the cycles of poverty and dependence, and to achieve the upward mobility afforded by higher education.

9. According to the National Association of Student Financial Aid Administrators, the proposal to require students to repay loans at market rates two years after graduation—even if market rates dropped to 14 percent—would increase the debt of a student who borrowed $10,000 by $2,500, bringing the total amount repaid to $17,755.

Graduate students who borrowed $25,000 in auxiliary loans would face repayments of about $3,500 a year in interest alone while they were in school.
10. A survey (Student Expenses and Resources Survey) of California college students taken during the 1979-80 academic year showed that:

- The average total cost, exclusive of tuition and fees, for students living in an off-campus apartment or house during the academic year was $5,157 (p. 38).

- The average reported parental income of students financially dependent on their parents was $21,005 (p. 34).

- Almost 64 percent of the parents of college students who were financially dependent on them contributed toward their educational expenses. The average contribution of these families was $1,448 (p. 48).

- On the average, the total educational costs of aid recipients was almost 12 percent lower than the costs of non-recipients of financial assistance (p. 38).

- Among students financially dependent upon their parents, whose parental incomes were between $12,000 and $18,000, 76 percent of those who applied for aid qualified for assistance (p. 61).

- Among students financially dependent upon their parents, whose parents earned between $18,000 and $24,000, 63 percent of those who applied for aid qualified for assistance (p. 61).

- Seventy-five percent of all college students were employed and worked an average of 27 hours per week (p. 70).
Higher ed.
grant for humanities in public ed.
indie sector 50 accredited autonomous
AICCU
fed & state finance of sta
no close interplay
mutual interest
Hi ed assoc of SD - informal
only 1 office - the chairman -> share
Hughes ed. now - (computers, library
resources)
recognition of 1 major research library
in community at UCSB - articulation
arrangements. Each has own work
library -
Tuition has been discussed - departure
from state system. no formal position
new Presidents so ideas may have
changed.
Tuition gap - 5ths vs hundreds
provide different programs
EA: do something better> oceanography law
the aid pro for most part = need
demands will change -

larger will go to public & cut off the private sector

Major crisis today - financial aid cuts & cuts since 1978 - must begin to encourage state & public & private aid to prop up rigid system in the country

sense of decency would say withdraw cycle down - speed = unfair

Know of others that will close USJ not be crippled because we have brought in a variety of financial aid programs

Corporate sector undergoing now some doing a great deal, others nothing -

economic entities - will express to do it
Deal with economic entity should are you dedicated to mix of priv + pub side, ed.

Lumper in becoming socialized becomes ed for gov.也需要，is becomes balance for this maintain the check to keep from being socialize.

Quality of hi ed. keeps side on toes have to be better/diff on both.

Interplay = extensive & profound public = research + PhD program
interfaced overall dynamic to see pub threatened = unacceptable to AEH

PUB: have to respond to shift in public interest.
deemphasis of access & choice
top of investment in population enlightened "" becomes a chip sal "" is worth more to society

Democracy works best with an enlightened population

Voucher system in colleges returns free choice to person chossin hi ed aginst = flow of funds to church related insti like USD -

critics say that could end pub ed because would select excel
AEH says that assumes that pub not doing gd job.
tax exempt

we operate

city today is to see that
to the priority that is kept
for by Sov

basic end of a democratic
society

long range efforts
live in honor of
of an enlightened society

thoughtful changes can be made
in areas where there are
excesses or lack of control

for instance BEQ - fed 8aw 1yr
Fed Sov CA = 3yr
ACE-UCLA

Entering Freshman and Transfer Study

An analysis of the data indicates that overall the 1981 freshmen and transfers differed very little from the 1980 group.

A few selected items of comparison are listed below:

<table>
<thead>
<tr>
<th>% Entering Freshmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Undecided about careers</td>
</tr>
<tr>
<td>Desire recognition from colleagues</td>
</tr>
<tr>
<td>Desire to be well off financially</td>
</tr>
<tr>
<td>Probable Majors:</td>
</tr>
<tr>
<td>Business</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Arts &amp; Humanities</td>
</tr>
<tr>
<td>Biological Science</td>
</tr>
<tr>
<td>Engineering</td>
</tr>
<tr>
<td>Technical</td>
</tr>
<tr>
<td>Undecided</td>
</tr>
<tr>
<td>Social Sciences</td>
</tr>
<tr>
<td>Professional</td>
</tr>
<tr>
<td>Physical Science</td>
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</table>

<table>
<thead>
<tr>
<th>% New Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Plan Residence in College Dormitory</td>
</tr>
<tr>
<td>Work at an outside job</td>
</tr>
<tr>
<td>Wealthy should pay more taxes</td>
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## ACE/UCLA Data on Entering Freshmen
### USD Comparison - 1973 thru 1981

### Responses

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</thead>
<tbody>
<tr>
<td>Mean SAT</td>
<td>435 of 498</td>
<td>364 of 528</td>
<td>515 of 585</td>
<td>597 of 664</td>
<td>585 of 692</td>
<td>586</td>
<td>586</td>
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<tr>
<td>Mean GPA</td>
<td>3.1</td>
<td>3.05</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.07</td>
<td>3.1</td>
</tr>
<tr>
<td>Women/Women (%)</td>
<td>53/47</td>
<td>45/55</td>
<td>41/59</td>
<td>47/58</td>
<td>40/60</td>
<td>40/60</td>
<td>40/60</td>
</tr>
<tr>
<td>Minorities</td>
<td>14.4%</td>
<td>18.9%</td>
<td>15.9%</td>
<td>18.8%</td>
<td>18.1%</td>
<td>16.4%</td>
<td>16%</td>
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</table>

### Intended Areas of Majors (%)

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<tbody>
<tr>
<td>Business</td>
<td>26.0</td>
<td>29.3</td>
<td>31.4</td>
<td>32.0</td>
<td>35.1</td>
<td>36.5</td>
<td>35.6</td>
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<tr>
<td>Education</td>
<td>6.8</td>
<td>6.2</td>
<td>9.4</td>
<td>6.7</td>
<td>7.2</td>
<td>6.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>19.0</td>
<td>18.4</td>
<td>17.2</td>
<td>18.9</td>
<td>13.8</td>
<td>14.2</td>
<td>15.2</td>
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<tr>
<td>Law</td>
<td>13.1</td>
<td>14.1</td>
<td>16.8</td>
<td>12.8</td>
<td>10.6</td>
<td>9.2</td>
<td>10.1</td>
</tr>
<tr>
<td>Biology</td>
<td>11.4</td>
<td>10.1</td>
<td>6.6</td>
<td>5.8</td>
<td>6.4</td>
<td>6.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Arts &amp; Humanities</td>
<td>10.3</td>
<td>11.3</td>
<td>11.9</td>
<td>8.7</td>
<td>7.1</td>
<td>9.8</td>
<td>8.1</td>
</tr>
<tr>
<td>Physical Sciences</td>
<td>3.5</td>
<td>2.1</td>
<td>3.6</td>
<td>1.5</td>
<td>2.0</td>
<td>1.5</td>
<td>3.1</td>
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</table>

### Planned Residence in College Dormitory

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</thead>
<tbody>
<tr>
<td></td>
<td>66.9</td>
<td>72.4</td>
<td>73.3</td>
<td>75.2</td>
<td>77.6</td>
<td>75.3</td>
<td>78.7</td>
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### Selection of USD

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</thead>
<tbody>
<tr>
<td>Good Academic Reactazion</td>
<td>59.2</td>
<td>47.6</td>
<td>58.8</td>
<td>54.7</td>
<td>57.1</td>
<td>56.3</td>
<td>60.1</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>27.5</td>
<td>24.3</td>
<td>25.2</td>
<td>24.0</td>
<td>23.4</td>
<td>22.2</td>
<td>22.3</td>
</tr>
<tr>
<td>Advice of someone who attended</td>
<td>19.1</td>
<td>16.4</td>
<td>15.1</td>
<td>9.6</td>
<td>14.5</td>
<td>18.0</td>
<td>14.4</td>
</tr>
<tr>
<td>Special Educational Program</td>
<td>25.5</td>
<td>20.1</td>
<td>28.1</td>
<td>18.2</td>
<td>17.8</td>
<td>17.8</td>
<td>22.2</td>
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### Expectations

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<tr>
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</thead>
<tbody>
<tr>
<td>Likely to transfer</td>
<td>18.4</td>
<td>18.0</td>
<td>17.4</td>
<td>18.4</td>
<td>14.0</td>
<td>14.5</td>
<td>13.8</td>
</tr>
<tr>
<td>Expect to be satisfied with college</td>
<td>56.9</td>
<td>49.9</td>
<td>54.9</td>
<td>58.3</td>
<td>62.6</td>
<td>61.1</td>
<td>60.5</td>
</tr>
<tr>
<td>Expect to be authority in field</td>
<td>75.9</td>
<td>77.2</td>
<td>84.4</td>
<td>80.6</td>
<td>69.7</td>
<td>73.1</td>
<td>77.5</td>
</tr>
<tr>
<td>Influence political structures</td>
<td>21.8</td>
<td>22.3</td>
<td>25.4</td>
<td>24.2</td>
<td>18.5</td>
<td>22.8</td>
<td>19.9</td>
</tr>
<tr>
<td>Influence social values</td>
<td>37.5</td>
<td>38.8</td>
<td>41.6</td>
<td>37.3</td>
<td>36.3</td>
<td>38.1</td>
<td>35.2</td>
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<tr>
<td>Be well off financially</td>
<td>49.5</td>
<td>54.7</td>
<td>65.2</td>
<td>61.2</td>
<td>62.9</td>
<td>55.5</td>
<td>68.3</td>
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### Financing College (not in fact book)

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Part-time employment</td>
<td>62.9</td>
<td>44.2</td>
<td>72.1</td>
<td>24.3</td>
<td>15.3</td>
<td>16.8</td>
<td>22.7</td>
</tr>
<tr>
<td>Full-time employment</td>
<td>3.9</td>
<td>2.3</td>
<td>4.4</td>
<td>1.0</td>
<td>0.8</td>
<td>0.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Savings from summer</td>
<td>50.8</td>
<td>35.4</td>
<td>63.3</td>
<td>46.0</td>
<td>42.6</td>
<td>41.3</td>
<td>43.0</td>
</tr>
<tr>
<td>Parental Aid</td>
<td>96.5</td>
<td>83.1</td>
<td>39.1</td>
<td>94.9</td>
<td>85.2</td>
<td>77.8</td>
<td>94.0</td>
</tr>
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</table>

### Grants

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>SEOG</td>
<td>25.6</td>
<td>14.2</td>
<td>24.6</td>
<td>18.9</td>
<td>27.9</td>
<td>25.5</td>
<td>18.1</td>
</tr>
<tr>
<td>SEOG</td>
<td>11.7</td>
<td>5.7</td>
<td>13.3</td>
<td>3.4</td>
<td>7.5</td>
<td>11.5</td>
<td>9.4</td>
</tr>
<tr>
<td>State Scholarship</td>
<td>27.8</td>
<td>24.7</td>
<td>40.9</td>
<td>25.0</td>
<td>22.2</td>
<td>19.8</td>
<td>16.3</td>
</tr>
<tr>
<td>College Grant</td>
<td>-</td>
<td>12.5</td>
<td>22.7</td>
<td>22.3</td>
<td>20.5</td>
<td>20.5</td>
<td>22.7</td>
</tr>
<tr>
<td>College Work-study Grant</td>
<td>24.0</td>
<td>13.4</td>
<td>30.3</td>
<td>17.9</td>
<td>23.9</td>
<td>30.7</td>
<td>19.3</td>
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### Loans

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<tr>
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<tbody>
<tr>
<td>FISL</td>
<td>7.9</td>
<td>4.8</td>
<td>7.7</td>
<td>7.2</td>
<td>10.2</td>
<td>25.6</td>
<td>29.2</td>
</tr>
<tr>
<td>NDSL</td>
<td>7.5</td>
<td>3.9</td>
<td>12.3</td>
<td>10.7</td>
<td>11.0</td>
<td>9.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Other Loan</td>
<td>-</td>
<td>3.0</td>
<td>9.5</td>
<td>2.2</td>
<td>3.4</td>
<td>1.5</td>
<td>3.1</td>
</tr>
<tr>
<td>Other Loan</td>
<td>6.7</td>
<td>1.8</td>
<td>5.1</td>
<td>2.2</td>
<td>3.8</td>
<td>3.1</td>
<td>2.8</td>
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</table>
## Selected Comparisons

### Freshmen at the University of San Diego

(Based on the ACE/UCLA Freshmen Study)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>592</td>
<td>585</td>
<td>586</td>
</tr>
<tr>
<td>%</td>
<td>664</td>
<td>682</td>
<td>685</td>
</tr>
<tr>
<td></td>
<td>89%</td>
<td>86%</td>
<td>86%</td>
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</table>

### Racial Background

<table>
<thead>
<tr>
<th></th>
<th>1979 (%)'s</th>
<th>1980 (%)'s</th>
<th>1981 (%)'s</th>
</tr>
</thead>
<tbody>
<tr>
<td>White/Caucasian</td>
<td>83.4</td>
<td>85.6</td>
<td>88.3</td>
</tr>
<tr>
<td>Black</td>
<td>2.5</td>
<td>2.6</td>
<td>0.7</td>
</tr>
<tr>
<td>American Indian</td>
<td>1.2</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Oriental</td>
<td>6.1</td>
<td>3.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Mexican/Chicano</td>
<td>6.4</td>
<td>5.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Puerto Rican</td>
<td>0.5</td>
<td>1.0</td>
<td>0.5</td>
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</tbody>
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### Skills

**Need remedial help:**

<table>
<thead>
<tr>
<th>Subject</th>
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<th>1980</th>
<th>1981</th>
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<tbody>
<tr>
<td>Math</td>
<td>21.6</td>
<td>21.4</td>
<td>25.8</td>
</tr>
<tr>
<td>English</td>
<td>8.6</td>
<td>7.7</td>
<td>8.7</td>
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<tr>
<td>Science</td>
<td>6.3</td>
<td>8.0</td>
<td>8.9</td>
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<tr>
<td>Need Tutoring</td>
<td>11.9</td>
<td>11.7</td>
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<tr>
<td>Reading</td>
<td>4.7</td>
<td>2.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Social Studies</td>
<td>2.0</td>
<td>0.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Foreign Languages</td>
<td>6.8</td>
<td>8.5</td>
<td>10.1</td>
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### Avg. Grade in High School

<table>
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<th>Grade</th>
<th>1979</th>
<th>1980</th>
<th>1981</th>
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<tr>
<td>A or A+</td>
<td>8.9</td>
<td>6.4</td>
<td>8.2</td>
</tr>
<tr>
<td>A-</td>
<td>16.0</td>
<td>12.2</td>
<td>14.4</td>
</tr>
<tr>
<td>B+</td>
<td>23.9</td>
<td>23.6</td>
<td>24.7</td>
</tr>
<tr>
<td>B</td>
<td>29.6</td>
<td>32.9</td>
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<tr>
<td>B-</td>
<td>15.3</td>
<td>14.7</td>
<td>15.1</td>
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<tr>
<td>C+</td>
<td>5.5</td>
<td>7.9</td>
<td>7.2</td>
</tr>
<tr>
<td>C</td>
<td>0.9</td>
<td>2.2</td>
<td>0.9</td>
</tr>
<tr>
<td>D</td>
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<td>0.0</td>
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### Likely to get a job to pay College expenses

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<th>1980</th>
<th>1981</th>
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<tbody>
<tr>
<td>Work at Outside job</td>
<td>42.3</td>
<td>44.4</td>
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<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1980</th>
<th>1981</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22.5</td>
<td>24.3</td>
<td>27.1</td>
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<tr>
<td>---------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
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<tr>
<td>Relatives wanted me to come</td>
<td>5.7</td>
<td>7.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Teacher advised me</td>
<td>2.9</td>
<td>3.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Good Academic Reputation</td>
<td>57.1</td>
<td>56.3</td>
<td>60.1</td>
</tr>
<tr>
<td>Offered Financial Assistance</td>
<td>25.4</td>
<td>22.2</td>
<td>22.3</td>
</tr>
<tr>
<td>Not accepted anywhere else</td>
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<td>1.6</td>
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<tr>
<td>Advice of someone who attended USD</td>
<td>14.5</td>
<td>18.0</td>
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<td>Offer Special Ed. Program</td>
<td>17.8</td>
<td>17.8</td>
<td>22.2</td>
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<tr>
<td>Has low tuition</td>
<td>1.4</td>
<td>1.4</td>
<td>1.8</td>
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<tr>
<td>Advice of guidance counselor</td>
<td>5.9</td>
<td>6.6</td>
<td>5.8</td>
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<td>Wanted to live at home</td>
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<td>4.4</td>
<td>4.7</td>
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<tr>
<td>Friend suggested attending</td>
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<td>9.0</td>
<td>7.6</td>
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<tr>
<td>College rep recruited me</td>
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<td>7.9</td>
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<tr>
<td>Education</td>
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<td>Physical Science</td>
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<td>Social Science</td>
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<td>Expect job in preferred field</td>
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<td>72.3</td>
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<td>Expect political influence</td>
<td>18.5</td>
<td>22.8</td>
<td>19.9</td>
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<tr>
<td>Expect to influence social values</td>
<td>36.3</td>
<td>38.1</td>
<td>36.2</td>
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<tr>
<td>Expect to be well off financially</td>
<td>62.9</td>
<td>65.5</td>
<td>68.5</td>
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</table>
Panel Estimates Impact on California Students of Reagan Budget Reductions

By ANNE C. ROARK, Times Education Writer

California students would stand to lose at least $108 million in federal college aid over the next two years if President Reagan's proposed budget cuts are accepted by Congress, according to new estimates by the California Post Secondary Education Commission.

In a report that is being released this week to financial aid experts in the state, the commission gives the first detailed analysis of what impact the Reagan proposals would have on individual students and institutions throughout California.

Budget analysts at the commission said Thursday that the proposed cuts in the government's loan and grant programs would represent a nearly 40% loss for California students between academic years 1981-82 and 1983-84.

Amount of Cuts Cited

In the current academic year, about 240,200 California students received about $280 million under the federal government's five major loan and grant programs, the study showed. Under the Reagan plan, an estimated 227,700 California students would receive less than $265 million in 1982-83, and 147,450 students would receive $173 million in 1983-84, the commission said.

Nationwide, the President's plan would eliminate a total of about $2.2 billion from the current $5.5-billion student aid budget.

Although it is too soon to tell whether Congress will go along with the proposals, there is some indication in Washington that a strong lobbying effort by students and college presidents from around the country may bring some relief to lower- and middle-income students.

Impact on Private Schools

Indeed, as lawmakers conclude their hearings on the education proposals in the fiscal 1983 budget, some House and Senate Republicans have begun to break ranks with the Administration and join Democrats in denouncing the extent of the Reagan proposals.

While some lawmakers have said they would try to restore the cuts proposed for next year, others have indicated their willingness to try to make up for reductions that have been made in federal grant programs in previous years.

Many lawmakers and education officials agree that private colleges and universities would be especially hurt by the Reagan cuts.

In California, William J. Rewak, S.J., president of the University of Santa Clara, warns that the reductions would cause his college to lose about $9 million a year in federal aid.
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