

Editorial on Student Aid Reform

By Anne O'Dell

Student aid reform has become a visible and immediate topic over the past several months. Although President Bush's commission on the subject was only announced last September, dwindling funds for state and federal programs in the face of rising tuition costs have become the depressingly constant subject of complaints from students and administrators year after year. Even more discouraging is the federal government's doublespeak insistence that the administration is bolstering financial aid.

Some streamlining to student aid could be helpful. A single tax credit, for example, would alleviate confusion for many students and their families. However, the various savings, loan, and grant programs that currently exist all serve a purpose; and the government should continue to offer a variety of options for students to obtain adequate financial aid.

Moreover, I find it difficult to expect that this administration can be trusted to adequately support financial aid for college students. If history is any kind of indicator, we can predict that more budgets would be slashed, more programs would be cut, and fewer students would be able to afford college than ever before.

Panelists on the commission are calling their preliminary work "provocative" and "bold." One panelist said in a recent New York Times article, "Some might say we're considering blowing up the financial aid system."

No straw men are necessary here. I'll say it: They're considering blowing up the financial aid system. In the issue papers and reports that have been published by the commission, some panelists make good suggestions; however, for the most part, the assumptions are entirely too broad. The homogenization of the entire student and graduate population is a consistent problem.

One preliminary report to the commission recommends limiting federal student loan eligibility by cutting off bachelor's degree students after their fourth years. This would leave many fifth-year seniors who changed majors or are studying subjects such as engineering and accounting out in the financial cold.

Another issue paper suggests entirely removing private lenders from the picture and making the government the sole holder of all education loans. Although the authors speculate that this change would "save billions for other educational assistance programs," they never specify exactly how this would be accomplished, nor do they acknowledge that this change would eliminate even more options for students and their families.

One of the most alarming recommendations is cutting financial aid across the board as a method of driving down tuition costs. There is an underlying note of hostility toward higher-education institutions throughout the commission's oeuvre, as though the blame lay with schools' inflated tuitions, rather than chronic under-



funding at the federal level—an interesting accusation to level, considering the background of the panel’s leadership.

The head of the commission, Charles Miller, is a Texas investment consultant who favors “deregulated” tuition, a.k.a., tuition increased freely by the board of each institution rather than controlled by the state. As a regent on the University of Texas’ Board of Regents, he helped raise tuition consistently several years in a row. This year, UT-Austin students will see a tuition increase of nearly 10 percent from last year, plus a new \$150 “utility” fee.

Miller is also on the Houston board of JP Morgan Chase—the country’s sixth-largest education lender and originator of more than \$2 billion in student loans. Recently, Chase and other education lenders stood to gain billions of dollars when Congress and the Department of Education made cuts that greatly limited students’ and graduates’ choices in student-debt management. Haven’t those companies made enough money from college students and graduates? Isn’t it time that students rather than corporations derive the most benefit from the education-lending system?

The private sector is not the place to turn for answers on higher education. Many panelists feel that lack of funding is not as large a problem as the high cost of education overall; they lay blame on universities and colleges for being unaffordable. Their alarming solution rests in cutting costs at the institutional level. But for-profit institutions and “career” colleges, touted by this commission’s studies for their cost-effectiveness, have been the scourge of the higher-education community for decades for their poor academic reputations, almost wholly part-time faculty, and slipshod general education curricula. Is the for-profit mentality the solution to higher education’s problems?

The commission comes down hard on the practice of granting tenure to faculty members and embracing research as an institutional goal. However, these factors are what grant depth and gravity to an institution’s academic reputation; and students should always have the opportunity to study with the great minds of our time and participate in their research activities. Without these, our country would lose its standing as the world leader in higher education and with it a lot of revenue for its academic institutions.

Is it truly so arrogant for academia to demand both financial support and the political autonomy to manage those funds as administrators see fit? Much of the verbiage directed toward universities is downright hostile on the subject of faculty tenure and research. The point of view promulgated here is essentially capitalist and does not concern itself with the higher goals of higher education. It gives preference to for-profit schools’ methods, including the forced extinction of the full-time faculty and the drastic reduction of general education and core requirements.

In short, I do not believe that academia created the current crisis in higher-education affordability; I believe these institutions have done what is necessary to preserve their and the nation’s reputations for academic excellence.



Simplifying the tax-credit system and creating a better method for overall school evaluation are among the better, saner recommendations of this commission's reports; however, the first priority in federal student aid reform is not streamlining student aid programs or forcing colleges to cut corners. Rather, the federal government needs to accept responsibility for shoring up our universities' financial infrastructures by restoring badly needed funds to existing programs.