

---

## Introduction

The federal government's involvement in higher education goes back to the Morrill Acts, which established a system of government-subsidized land grant colleges in the nineteenth century. After World War II, Congress moved beyond institutional support to provide direct aid to returning veterans under the GI Bill. That initiative was expanded during the 1950s through the development of the National Defense Education Act student loan program. Then, on November 8, 1965, President Lyndon Johnson signed the Higher Education Act (HEA) into law, creating an overall governing structure for federal programs in higher education.

The core structure of the original HEA remains intact today, despite considerable change at its margins. The direct student aid programs under Title IV of the act continue to be its most important features, but it also supports “developing institutions,” or colleges or universities that serve special populations or face special circumstances in carrying out their missions. The original law served this latter function under Title III, while current law does so under Titles III and V.

The AAUP has supported the HEA since its inception, although the Association identified a critical concern early on—the unwillingness of Congress to appropriate adequate funds for the programs authorized under the act. As Congress prepares to discuss the future of the Higher Education Act at the beginning of the twenty-first century, the AAUP recommends that four major themes receive special consideration.

The core goal of the HEA from the beginning has been to increase **access** to a college and university education, and any reauthorization proposal must build on that goal. Equally important is the **quality** of higher education programs. Increased access to low-quality programs will not help institutions, faculty, or students. At the same time, the HEA must recognize and promote the **diversity** of our higher education system—the diversity among populations within the system, as well as among institutions and institutional missions. Finally, the uncertainty and tension in the world today make it especially critical for the HEA to support the **openness** of the academic community; doing so is the only way to ensure the continued excellence of our nation's colleges and universities.

**The AAUP has supported the HEA since its inception, although the Association identified a critical concern early on—the unwillingness of Congress to appropriate adequate funds for the programs authorized under the act.**

---

## Access to College

**W**hen President Lyndon Johnson signed the Higher Education Act of 1965, he noted that its passage would mean that a “high school senior anywhere in this great land of ours can apply to any college or any university in any of the fifty states and not be turned away because his family is poor.” Sadly, despite the enormous contributions that the HEA has made to support college and university attendance, that goal remains unfulfilled.

**During the 2002–03 academic year, nearly half of all college-qualified low- and moderate-income high school graduates—more than 400,000 students—could not attend college because of record-high financial barriers.**

During the 2002–03 academic year, nearly half of all college-qualified low- and moderate-income high school graduates—more than 400,000 students—could not attend college because of record-high financial barriers.<sup>1</sup> Among those families whose children attended, most had to spend a higher percentage of their income on college than did families two decades ago; this trend is strongest among the lowest-income families. The AAUP supports access to college for *all* students and urges legislators to ensure that goal through the Higher Education Act.

Doing so will mean expanding the Pell Grant program to support students from the time they enter a college to the time they complete a degree. According to a recent study by the Institute for Higher Education Policy, student enrollment in universities has increased over the past thirty years, yet a decreasing percentage of students are graduating. Today, almost half of the students who enroll never get a degree. The benefits of higher education—for the individual and society—diminish when students do not complete a degree or program.

A 1995 study by the General Accounting Office (GAO) revealed a direct relationship between Pell Grants and the dropout rate: as resources increased, the dropout rate fell, especially among minority students. For example, raising grants by \$1,000 in a given semester decreased the dropout rate among African American students by 7 percent and among Hispanic students by 8 percent.

Pell Grants hit their peak value in terms of purchasing power in the mid-1970s, when the grants covered about 84 percent of tuition at public institutions. Although Congress has continued to increase grant levels, it has not appropriated the full amount authorized for the program since 1980. In that year, tuition at public two-year institutions represented 6 percent of family income for the lowest-earning families; in 2000, it represented 12 percent of income for such families. At

---

four-year public institutions, the percentage jumped from 13 to 25 percent for the same group over the same period.<sup>2</sup>

The AAUP welcomes the increase in the maximum grant that Congress approved in 2002 and appreciates the administration's proposal to expand funding for the program by 29 percent. But that increase only maintains the status quo; more dramatic increases in the size of individual grants are needed if the program is to make the kind of difference it should make in the lives of low-income students. Additional support for the program is also necessary simply to avoid repetition of recent shortfalls that resulted from rising demand.

Today, federal aid is more important than ever. The current recession has caused budget shortfalls in states nationwide, leading to substantial tuition increases in public institutions of higher education—increases as high as 21 percent in some states and 7.7 percent nationwide.<sup>3</sup> Funding for many state programs, including education programs, has been frozen or reduced, resulting in lower state grants for some eligible students and denial of aid for others.

Exacerbating this situation is the shift in state resources that has occurred in recent years from need-based to merit-based aid. This shift has caused “unmet need”—the portion of college expenses not covered by the expected family contribution and student aid, including work study and loans—to reach unprecedented levels, according to the Advisory Committee on Student Financial Assistance, the body created by Congress to advise the Secretary of Education and Congress on student-aid policy and to make recommendations to improve access. On average, annual unmet need for low-income families has reached \$3,200 at two-year public colleges, \$3,800 at four-year public colleges, and \$6,200 at four-year private colleges.<sup>4</sup> Families must cover these costs through work and borrowing.

To expand access to higher education for *all* students, the AAUP urges Congress to

- Double the maximum Pell Grant award over the life of the current reauthorization.
- Place the Pell Grant program on a firm funding foundation by making the program an entitlement. Tax credits and tax deductions are available to every taxpayer who qualifies, regardless of need. But the Pell Grant remains a discretionary program available only if sufficient money is available.
- Adjust Pell Grant eligibility to ensure realistic criteria for independent and part-time students. Many of these students

**Today, federal aid is more important than ever. The current recession has caused budget shortfalls in states nationwide, leading to substantial tuition increases in public institutions of higher education—increases as high as 21 percent in some states and 7.7 percent nationwide.**

---

are older than traditional-age college students and likely to make good use of federal assistance.

- Maintain the broad range of loan programs now available. Competition between the Direct Loan and the Guaranteed Loan Programs has improved both initiatives and expanded opportunities for students.

The AAUP believes that direct federal loans are an appropriate tool for the government to use to support higher education, and notes that, since its inception, the Federal Direct Loan Program has permitted the government to avoid paying outside parties substantial amounts for loan administration. These savings can be put back into the program to increase the availability of loans and to lower costs for students and their families. Moreover, the broader menu of choices among student loans made available since the introduction of direct federal loans has had a positive effect on the operation of all borrowing programs. Administrators of private-sector, campus-based, and direct loan programs have begun to experiment with simpler forms, easier processes, earlier notification, and more efficient and convenient disbursement of funds. All of these developments are positive and should be encouraged by the Higher Education Act.

**The AAUP believes that direct federal loans are an appropriate tool for the government to use to support higher education. . . . [S]ince its inception, the Federal Direct Loan Program has permitted the government to avoid paying outside parties substantial amounts for loan administration.**

---

## Quality

Students will benefit from improved access to higher education only if the Higher Education Act ensures the quality of the college and university programs eligible to receive student financial aid. In response to abuses of federal financial aid that occurred in the 1980s, quality protection measures such as the “50 percent rule” and the “twelve-hour rule” were introduced. The 50 percent rule stipulates that institutions that teach more than half of their courses by correspondence—including Web-based distance education—are ineligible to offer students federal student aid. The twelve-hour rule mandates that students in nontraditional or non-term programs must receive twelve hours of instruction each week to qualify for such aid. Recently, such protective measures have been threatened or dismantled to permit federal support of programs seen as innovative, especially those involving Web-based distance education. The twelve-hour rule, for example, was abolished in November 2002.

In the last reauthorization, Congress created the Distance Education Demonstration Program, which allowed the U.S. secretary of education to waive quality-protection rules for distance education initiatives that seemed promising. The AAUP expressed concern about the demonstration program at its inception and throughout its operation. The Association argued that many distance education advocates failed to perceive the complications involved in integrating the innovative practice into the larger context of U.S. higher education.

The Association asserted, and continues to believe, that more attention must be paid to ensuring that the different parties responsible for the quality of U.S. higher education perform their appropriate functions. For example:

- The U.S. Department of Education is meant to play a “consumer protection” role in regard to higher education programs nationwide. As part of that responsibility, it is supposed to make sure that student aid dollars intended for higher education are in fact used for that purpose. When a financial aid recipient signs up for a program of study, the department must ensure that the institution receiving the financial support is delivering that program of study to the student.

**The Association argued that many distance education advocates failed to perceive the complications involved in integrating the innovative practice into the larger context of U.S. higher education.**

---

**The AAUP believes that Congress should empower accrediting agencies to strengthen their reviews of institutional quality, especially if the education department dismantles some of its objective criteria for assessing quality.**

- Accrediting agencies play a “quality assurance” role in regard to institutions. The agencies determine a college or university’s capacity to deliver a program of study. The AAUP believes that Congress should empower accrediting agencies to strengthen their reviews of institutional quality, especially if the education department dismantles some of its objective criteria for assessing quality.
- Faculty play a “quality assurance” role in regard to the integrity of courses and programs. They have responsibility on the campus level for fundamental educational issues such as curriculum, subject matter, methods of instruction, and requirements for degrees. But faculty members need to go beyond their individual activity in the classroom and their collective action within campus governance practices to ensure educational quality. They need to integrate campus-based activities with disciplinary research to keep their programs up to the highest academic standards.

Although the AAUP voiced concern about the Distance Education Demonstration Program in the past, it would like to see the program, with appropriate safeguards, continue with the current reauthorization. The AAUP has changed its position somewhat because of an evolution that has occurred in distance education programs. With the downturn in the “Internet economy,” many of the more outlandish Web-based efforts have fallen by the wayside. Moreover, some institutions have made progress over the past several years in integrating distance education programs into their existing curricula. The Association supports a program that will encourage innovation but maintain careful and extensive oversight of nontraditional programs.

An ongoing Distance Education Demonstration Program would allow the secretary of education to continue to waive certain statutory and regulatory requirements for institutions opting to pursue Web-based distance education. At the same time, these institutions would remain under strict scrutiny by the department. The program would leave intact the time-tested protections currently in the HEA that have proven their effectiveness in preventing the large-scale abuses of financial aid that occurred in the 1980s.

Proponents of eliminating these protections note that many students who take Web-based courses receive less aid than those who travel to a campus. Often, however, such students do not have to pay full tuition and fees, nor must they pay for housing away from a family

---

home. Consequently, their expenses are probably lower than those of campus-based students. Simply eliminating all quality protections would make rent and food subsidies available to anyone who signs up for even a single online course in which instruction occurs at least once a week. An answer is needed to keep up with the times, but a complete waiving of these provisions does not provide that answer.

The Association joins many others in higher education who argue that “seat time” in a traditional classroom is not the only—or even the best—way to quantify full-time pursuit of a higher education. Law clinics in which students gain professional skills by working with clients, attorneys, judges, and legislators do not occur in classrooms; neither do civic engagement projects in which students go into communities to pursue research and address social problems. Ensuring quality in higher education must involve more than simply measuring time spent in a classroom. Yet, in developing alternative guidelines for disseminating student financial aid, it is important to realize that not every course or program is worthy of such aid.

Those involved in higher education—accrediting agencies, administrators, and especially faculty, the group closest to students and to the educational activities needing assessment—must explore questions such as: What does a “college degree” mean? How much learning goes into a degree? How universal are educators’ expectations regarding the level and the breadth of course work across institutions and regions? What is a “course”? How much learning occurs when a student is engaged in full-time education? What is half of that? What is a quarter of that? The answers to these and related questions will help legislators and the higher education community define which programs are worthy of support by student financial aid.

Policy makers see virtual education as a way to deliver a much-needed service at a low cost, and many believe that students should be able to use their financial aid dollars to buy such an education. Online courses do indeed promise unprecedented access—but that access must mean more than simply the ability to sign up for a course. Among other forms of assistance, students need access to technical support, libraries, and consultation with teachers. Low- and moderate-income students especially should not be encouraged to spend their hard-won financial aid on education that will not ultimately bring real benefits to themselves or society.

Faculty on some campuses have already taken up the challenge of developing academic standards for higher education. At Portland State University in Oregon, for example, faculty members have iden-

**Ensuring quality in higher education must involve more than simply measuring time spent in a classroom. Yet, in developing alternative guidelines for disseminating student financial aid, it is important to realize that not every course or program is worthy of such aid.**

---

**Improving the caliber of  
our nation's colleges  
and universities  
demands that specific  
decisions on curricular  
and educational  
programs be left to the  
faculty and individual  
campuses with  
appropriate review by  
qualified accreditation  
agencies.**

tified “transferable abilities” that students must demonstrate to receive a baccalaureate degree. The proposed “markers of the baccalaureate” include mastery of oral and written communication, quantitative reasoning, analytical thinking and ethical reasoning as well as understanding of the human experience, and development of a sense of social and civic responsibility. A full list of the markers is available at <[http://portfolio.pdx.edu/Portfolio/Teaching\\_Learning/UnderGrad\\_Learning\\_Goals/Learning\\_Markers/Markers](http://portfolio.pdx.edu/Portfolio/Teaching_Learning/UnderGrad_Learning_Goals/Learning_Markers/Markers)>.

Ultimately, ensuring the quality of academic programs will require more than the “consumer protection” role that the federal government plays. Improving the caliber of our nation’s colleges and universities demands that specific decisions on curricular and educational programs be left to the faculty and individual campuses with appropriate review by qualified accreditation agencies. The federal government has an inescapable duty, however, to make sure that faculty, campuses, and accrediting agencies can perform those functions they are best suited to carry out.

The AAUP urges Congress to consider taking the following steps in reauthorizing the Higher Education Act.

- Call on accrediting agencies to strengthen their reviews of institutional quality. For more than fifty years, these agencies have appropriately evaluated academic programs according to the specific missions of each institution rather than according to a “one-size-fits-all” template. This institution-by-institution approach helps preserve the diversity that provides America’s 16 million students with an unrivaled array of educational choices and opportunities. The AAUP urges Congress to avoid direct imposition of nationwide academic standards or a simple template for measuring the academic activities of all institutions. Neither a congressionally imposed standard nor an open-ended reliance on market economics is an intelligent solution to protecting quality.
- Expect faculty participation in ensuring academic quality. Faculty have responsibility on the campus level for determining curriculum, methods of instruction, and requirements for degrees. Any efforts to ensure quality must draw on faculty expertise and take into account the fundamental responsibilities of faculty members.

---

## Diversity

One of the signal accomplishments of the federal government in higher education has been its promotion of diversity throughout the nation's colleges and universities, not only among faculty, students, and staff, but also among institutions and institutional missions.

Different legal provisions have improved diversity among those who work and study on college and university campuses. Within the HEA, Title II—which promotes teacher quality—and Title VI—which advocates programs to improve graduate and postsecondary education—address this area. With reauthorization of the act, the AAUP urges that Congress strengthen programs that support institutional policies seeking to recruit and retain diverse faculty populations. For such policies to have effect, a parallel effort to diversify graduate programs is also needed.

Important initiatives under Title IV of the HEA, including TRIO and GEAR-UP, already serve this purpose. TRIO programs supplement the educational experience of disadvantaged high school students; support services continue throughout college and include preparation for graduate work. GEAR-UP encourages states and universities to form partnerships with elementary and secondary schools and community organizations to improve the chances of students in the seventh grade and beyond who attend schools in low-income areas and want to go to college.

Institutional aid programs under Titles III and V promote diversity in U.S. higher education by providing direct aid to historically black colleges and universities, tribally controlled colleges and universities, and Hispanic-serving institutions. Title III programs support institutions that serve a high proportion of minority students and students from low-income backgrounds. Institutions may qualify for aid under Title III if their endowment fund is low (on a per-student basis) compared with other colleges, or if the institution spends relatively small amounts on library materials.

Title III funds are meant to improve an institution's academic quality, management, and fiscal stability. Institutions can use such funds for professional development of faculty, for improvement of academic programs or student services, or for the acquisition or enhancement of instructional facilities and equipment. The AAUP welcomes the ini-

**[T]he AAUP urges that Congress strengthen programs that support institutional policies seeking to recruit and retain diverse faculty populations. For such policies to have effect, a parallel effort to diversify graduate programs is also needed.**

---

**The Higher Education Act must continue to promote the diversity of institutions and institutional missions throughout higher education.**

tiatives already proposed in this area by the administration and urges Congress to go beyond those initiatives.

Among the institutional aid programs authorized under Titles III and V, one area needs special attention. The Higher Education Act must continue to promote the diversity of institutions and institutional missions throughout higher education. The institutional aid programs that serve specific minority populations (for example, those supporting historically black colleges and universities) already recognize this need, and should be maintained and strengthened.

Other institutions, however, whether they be small liberal arts colleges or large urban universities, serve different student populations: those from less privileged economic backgrounds and families for whom English is not a first language. These colleges and universities need real levels of support if our country is to maintain the institutional diversity that has been one of the hallmarks of American higher education.

As the U.S. student population continues to diversify, as is projected, this need will become even more critical. To succeed, students need to feel that they belong and can excel in their academic environment. Many also want to use their education to contribute to their communities. Higher education, and the HEA, is well placed to foster such a sense of ownership. The severe financial restrictions now facing Congress may make it premature to create a new category of institutional aid programs. Nonetheless, the AAUP believes that a pilot program targeting a select group of institutions is possible, and would provide an opportunity to assess the effectiveness of increasing support for colleges and universities that serve diverse populations.

---

## Openness

**R**eauthorization of the Higher Education Act will occur amid concerns about national security. The AAUP urges Congress, in its attempt to make our nation safer, to protect the historical openness of American higher education. The tradition of openness to new ideas, participants, and practices continues to attract students and scholars from all over the world to U.S. colleges and universities. Signs indicate, however, that we must safeguard our tradition of freedom in academic speech, teaching, and research in this time of crisis.

Worrisome developments include efforts by state legislators, members of the public, and others to limit unpopular teaching and speech on certain campuses; a federal government advisory that urges scientists not to disseminate nonclassified research that is “sensitive” but that fails to define “sensitive” precisely; restrictions on foreign scholars and students (such as the decision by the U.S. Department of Agriculture to no longer allow them to work in its laboratories); and overlong delays in issuing entry visas to highly qualified foreign scientists and students who bring great benefit to our country.

In a December 2002 statement, the presidents of the National Academies of Science—the body that advises the federal government on scientific and technical matters—warned that the federal government’s recent efforts to constrain the flow of international visitors in the name of national security are having serious unintended consequences for American science, engineering, and medicine.

The statement notes that ongoing research collaborations have been hampered; outstanding young scientists, engineers, and health researchers have been prevented from or delayed in entering this country; and important international conferences have been canceled. Those prevented from entering the country include distinguished professors invited to teach at U.S. universities, research collaborators with U.S. laboratories whose absence has halted projects, and, perhaps most serious, many outstanding young graduate and postdoctoral students who contribute to the U.S. research enterprise and economy.

Today, about half of the graduate students enrolled in physical sciences and engineering at U.S. universities come from other nations, according to the National Academies’ presidents. These foreign students are essential for much of the federally funded research carried

**Today, about half of the graduate students enrolled in physical sciences and engineering at U.S. universities come from other nations. . . . These foreign students are essential for much of the federally funded research carried out at academic laboratories.**

---

**[T]he millions of people who have studied in the United States over the years make up a remarkable reservoir of goodwill for our country, perhaps our most underrated foreign policy asset.**

out at academic laboratories. Moreover, university officials have stressed that they need international students not only to work in labs but also to teach undergraduate classes. “American students tend not to go into the hard sciences,” George McMechan, a University of Texas at Dallas scientist, told the *Dallas Morning News* in November 2002. “They like law, medicine, business, and things like that. . . . [W]e’ve been dependent on foreign students for our best scientists.”

In addition to furthering the U.S. research enterprise, international students benefit the country economically. NAFSA, the Association of International Educators, estimates that in 2001–02, more than 500,000 international students studied in this country, and they and their dependents spent more than \$11.95 billion on tuition, fees, and living expenses. International students bring other benefits as well. As NAFSA points out, the millions of people who have studied in the United States over the years make up a remarkable reservoir of goodwill for our country, perhaps our most underrated foreign policy asset. In a similar vein, President George H. W. Bush argued in 1989 that “international exchanges are not a great tide to sweep away all differences, but they will slowly wear away at the obstacles to peace as surely as water wears away a hard stone.”

---

## Conclusion

**T**he Higher Education Act has served this nation well: it joins the Morrill Acts and the GI Bill as hallmarks of government support for what has become the finest system of higher education in the world. The HEA must continue to emphasize access to higher education for all students qualified to and interested in pursuing it. At the same time, the HEA must ensure that faculty, accrediting agencies, and the individual institutions within the system can maintain and promote the quality of the educational programs offered. Increasing access to lower-quality education does not benefit anyone.

The HEA must also continue to foster the diversity of populations served by our colleges and universities, and the diversity of institutions in U.S. higher education. In addition, the act must promote and protect the openness of the academic environment. Colleges and universities must remain centers for the free and frank exchange of ideas, and forums for exposing people to new and unfamiliar viewpoints.

The bottom line with all federal programs, however, is money. The bold vision of the Higher Education Act has seldom been matched in its execution. The gap between authorized levels of Pell Grants and the figures actually appropriated remains the symbolic illustration of this discrepancy. In a December 1965 report, the AAUP welcomed recent initiatives in education by applauding the fact that the federal government had chosen to characterize its participation in education as “a fierce commitment” and, at the same time, had agreed that evaluation of programs “must of necessity be obtained from the agencies administering them.” In a footnote to the report, the Association compared the approximately \$200 million that the HEA allotted to the states with a press release from the previous summer that stated that “during fiscal 1966 more than \$3 billion in federal funds will flow from the federal treasury . . . to schools and colleges, to teachers and students, and to libraries and librarians.” The difference between \$200 million and \$3 billion represents a considerable gap. The gap between the vision expressed in the goals of the Higher Education Act and the reality of congressional appropriations has not diminished in the almost forty years since the enactment of the HEA.

**The bold vision of the Higher Education Act has seldom been matched in its execution. The gap between authorized levels of Pell Grants and the figures actually appropriated remains the symbolic illustration of this discrepancy.**

## Notes



- 
1. Advisory Committee on Student Financial Assistance, *Empty Promises: The Myth of College Access in America* (Washington, D.C., 2002), v.
  2. National Center for Public Policy and Higher Education, *Losing Ground: A National Status Report on the Affordability of American Higher Education* (San Jose, Calif., 2002).
  3. Advisory Committee on Student Financial Assistance, *Empty Promises*, 2.
  4. Advisory Committee on Student Financial Assistance, *Empty Promises*, 5.

---

# Contents

Introduction . . . . .	1
Access to College . . . . .	2
Quality . . . . .	5
Diversity . . . . .	9
Openness . . . . .	11
Conclusion . . . . .	13