

## Overview 3

# The Process and Strategic Issues

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As part of setting the context for this conference, I have been asked to describe the process of reauthorization of the Higher Education Act and the budgetary and political context in which that will occur. I will say a little bit about the processes that will occur within the federal government, within the higher education community and their national associations, and how those two processes will connect and interact.

## Government

**Budgetary Climate:** First of all, reauthorization will take place in an environment of continued belt-tightening: both Congress and the Administration have reaffirmed during last year's election campaigns and in subsequent statements their intention to move toward a balanced budget. The first bill introduced in Congress was the balanced budget amendment.

In order for the government to balance the budget, it must accomplish some combination of increased revenues and decreased spending:

- **Increasing revenues** will be made more difficult by proposals by both the Administration and members of Congress for tax reductions. The higher education community is unlikely to protest mightily about President Clinton's tax reduction proposals, since they would provide \$43 billion over five years for higher education. A number of Republican tax reduction proposals are targeted on higher education as well.

- **Decreasing spending** can be carried out either by decreasing mandatory or entitlement spending, by decreasing discretionary spending, or some combination of both. Although mandatory spending—comprising Social Security, Medicare and Medicaid, certain welfare spending, and student loans in the education sector—is a far larger part of the budget than discretionary spending, it is far more difficult to cut, principally because it is mandatory. Therefore, discretionary spending has taken the brunt of budget cuts in the last few years, and there appears to be little political will to take on the major entitlement programs in any systematic way in the near future.

The budgetary climate will not directly affect reauthorization of the Higher Education Act: HEA is an authorization bill, not an appropriations bill. Authorizing legislation sets the policy guidelines for federal programs; appropriations legislation specifies the amount of money to be spent in those programs. However, authorizing legislation sets spending ceilings for subsequent appropriations bills, and these may be expected to be lower in this climate than in a more expansive one. Moreover, the education authorizing committees may be expected to think carefully about the future spending implications of any proposals for new initiatives and expansions of current programs in the context of their commitment to balance the federal budget.

**Political Context for Education Programs:** You will recall that when the Republi-

cans gained the majority in Congress in 1994, they made a strong run at a number of higher education programs, proposing to eliminate the in-school interest subsidy in the student loan programs and to eliminate a substantial number of the department's so-called categorical programs. These are the many comparatively small programs that serve specific educational purposes, which stand in stark contrast to the large student aid programs. Title VI is one of these categorical programs.

The attempt to mandate in-school interest was defeated, but the suspicion about, if not antipathy for, the categorical programs remains and will be a factor to contend with in reauthorization.

Moreover, the Administration and the Department of Education, dare I say in the presence of our departmental friends and colleagues, have generated their own interest in streamlining the department's melange of programs, for some very good reasons: Vice President Gore's initiative to reinvent government has government streamlining as a key component, and senior department administrators are wisely mindful of the implications of moving to a balanced budget and what they will have to do to operate on a leaner diet. In such a climate, fealty by CIE administrators to the verities which animate all of you may not be dominant in the decision making of senior Administration officials, in the department, in OMB, or the White House.

What does such a stark context bode for Title VI programs? I think you in fact have reasons for optimism. The people in the federal government who will be shaping the outcome of reauthorization are in the main serious, thoughtful, and well-intentioned people. In Congress, higher education has generally been a dominantly bipartisan issue, and I expect that we will see that in reauthorization there will be differences between Republicans and Democrats, but both will treat higher education programs as the legitimate province of the federal government and worthy of careful attention. In the Administration, President Clinton has made education a priority, and Secretary Riley is perhaps the most respected person to hold that position since its creation.

The best way to advance your interests in this reauthorization is to do precisely what this conference is designed to do: take a hard, objective look at your programs, how they serve the national interest, how they are working, how

they might work better, how you might make them work better to advance the interests of students, government, business, and the significant number of other beneficiaries of your programs. What changes might be made that would advance the mutual interests and responsibilities of you and the department officials who manage these programs?

And don't press for change for change's sake: current programs that are working well should stay as they are; your job in this case is to explain as clearly as you can why these programs matter and why federal investment is critical. There is not one program in Title VI that could not do more with more money, and you needn't be silent about that, but in a climate where both Congress and the Administration will be desperate to find places to save money, it will be a sufficiently bracing task to argue cogently for why current funding should continue, let alone increase.

## Government Reauthorization Process

The process of reauthorizing the Higher Education Act is a congressional process. The Administration, led by the Department of Education, will play a key role in that process, although technically, the Administration will simply be another group making recommendations to Congress for reauthorization, and Congress is free to accept or reject their recommendations.

There have been past reauthorizations where the relationship between Congress and the Administration—or the education committees and the department—was so bad that the Administration's influence was quite small. That is not likely to be the case this time around: there appears to be something behind the talk about bipartisanship as it refers to the Republican-controlled Congress and the Democratic Administration, and Secretary Riley is well-regarded by Congress.

The House and Senate will each develop their own proposals for reauthorizing the Higher Education Act. The two education committees (Senate Labor and Human Resources Committee, with education at full committee level; and the House Education and Workforce Committee, with the focus of reauthorization in the Postsecondary Education Subcommittee) will soon begin

a series of hearings on various aspects of the Higher Education Act, and the Department of Education is working internally to develop its proposals for reauthorization, which are targeted for completion sometime this spring.

The reauthorization process is scheduled to be completed by the end of the year, but there is an automatic extension if the process isn't completed. With major legislative issues scheduled to be addressed by Congress (balanced budget, reconciliation, Medicare and welfare reform), it is likely that the reauthorization process will spill over into next year, as it has for the last several reauthorizations.

## Higher Education Reauthorization Process

How will the higher education community involve itself in this process?

The American Council on Education, the umbrella higher education association, has organized a set of task forces on the Higher Education Act Reauthorization.

These task forces are operating under realistically conservative assumptions: no major new proposals with significant new spending are likely to be taken seriously; programs that have been authorized but unfunded since the last reauthorization in 1992 are clear candidates for elimination; and we should concentrate on trying to preserve the effective programs we have with modest improvements around the margins as appropriate and feasible.

Recommendations developed by a Title VI task force, which takes its intellectual underpinnings from this group, will become part of the ACE-coordinated higher education set of recommendations that will be submitted to Congress.

Developing common positions is very important, especially for a set of programs such as Title VI that doesn't have a broad constituency. This group is the broadest representation of Title VI that has been assembled in some time, as Neal Pings said last night. However, there are more than six thousand postsecondary education institutions in this country and more than \$15 billion in student aid; without a common position advocated in a coordinated manner, Title VI could get lost in the background noise.

Some of the challenges you will have to confront will be the same as your predecessors have

grappled with in previous reauthorizations: How can a program that is so small, relative to its authentic national needs, meet the needs of so many claimants? To what extent should we seek to preserve the original conception of this program as a focused national effort to develop high levels of expertise in language and area studies, or broaden it to include the rapidly widening concentric circles of academic internationalization—that is, how do we balance breadth and depth?

Some challenges confronting Title VI are new; perhaps most fundamentally, we need a new post-cold war rationale to replace the cold war genesis of Title VI.

As you work to define and justify what you do, and think about how federal policies might be modified (with an infinite increase in federal largesse not to be included among the discussible options):

- Think also about how your views might coincide with those of Department of Education officials who have to manage these programs and justify them to Congress and other keepers of federal propriety such as OMB;
- Think about how you might justify your proposals to new Title VI claimants who are not now competitive in the existing programs—how you might accommodate their reasonable claims without swamping a program that had its origins not in saving the world in all its aspects but in providing core expertise in narrowly focused critical areas.

There are many legitimate differences among representatives of the diverse programmatic functions—all underfunded—vested in Title VI: graduate vs. undergraduate education; common vs. less commonly taught languages; academic depth vs. educational breadth, community outreach, and business applications; area studies vs. thematic analyses and professional programs. I encourage you to work out these differences internally, develop and cooperatively advocate a set of policy recommendations that you collectively believe in, that genuinely serve the national interest, and that are realistically responsive to the pressures on Congress and the Administration. Such a collective effort will serve your interests and the national interests best.