US Congress uses Alice in Wonderland logic to sell cuts in college grants

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Prodded by the Bush administration, the US Congress has changed the formula for determining the disbursement of Pell Grants, the main source of financial aid for low- and mid-income college students. As a result, 1.4 million students will receive less financial aid for the 2005-2006 academic year, and at least 80,000 deserving students will receive no Pell Grant funds at all ("Students to Bear More of the Cost of College," by Greg Winter, *New York Times*, 12/23/04).

As one might expect, community colleges, with a student population made up chiefly of working class students, will be hardest hit. This severe cutback in funding comes at a time when economic conditions are forcing federal and state authorities to demand that community colleges carry more of the higher-education burden. The consequences of this conflict of interests will be multiple: in their scramble for funding, even more community colleges will be forced to curry the favor of corporations and other members of the private sector; and those community colleges that cannot "compete" in this sector will either severely curtail their services or shut their doors.

The purpose of the federal financial aid formula is to determine exactly how much family income is discretionary and therefore available to help pay for college expenses. Historically, the formula has allowed families to deduct a portion of what they pay in state and local taxes. With the rule change, the allowable amount to be deducted will be cut significantly. Using Alice in Wonderland logic, the Bush administration and Congress are selling the rule change by arguing that the change leaves families with more money to pay for college, "even though," as the *Times* article explains, "state and local taxes have gone up in the last few years, not down."

Such logic is also evident in the rationale for the rule change. As a result of deteriorating economic conditions, more college students, both recent high school graduates and returning adults, are in need of Pell Grants, which has increased the cost of funding the program. But instead of recognizing that during an economic crisis we should be helping students more, the Bush administration and the present Congress believe that the answer is to help them less.

Educators and lawmakers across the board have argued that the present maximum Pell Grant, $4,050 per year, is woefully inadequate. But the White House Office of Management and Budget concludes that without the changes the cost of maintaining Pell Grants at their present level would increase by some $300 million because tens of thousands of students would become eligible for aid and hundreds of thousands more would be granted larger awards. This reasoning is truly astounding: because more students are suffering financially, more of them are eligible for Pell Grants. Therefore, we will lower the level of assistance to ensure fewer students are eligible. One could only hope that the Bush administration and its supporters would apply the same logic when determining who among the suffering rich are eligible for further tax cuts.

The loss of funding will be most severely felt by community colleges and their large proportion of working class students. Moreover, this cutback occurs at a time when the Bush administration and state authorities are demanding more of the community college system.

During the 2004 election campaign, President Bush repeatedly called for community colleges to carry more of the higher-education burden and thereby better prepare Americans for a competitive labor market. He also assured the community colleges that they would be receiving substantial financial assistance, including an increase in Pell Grant funding. Coming just a little over a month after the 2004 election, the announced decrease in Pell Grant funding demonstrates, at the least, an administration and compliant Congress that were equally ignorant concerning budget shortfalls. Much more likely is the view that the administration is using funding cuts to further privatize and "corporatize" higher education, especially at the community college level.

During considerations of the appropriations bill that cleared the way for the change in the Pell Grant formula, Democratic Senator Jon S. Corzine of New Jersey admitted that “this [appropriations bill] was a backdoor attempt to cut funding from the Pell grant program,” Unfortunately, Senator Corzine did not explore the rationale for funding cuts.

When President Bush called on community colleges to do more, he issued a caveat. “As you well know,” he said during a speech last January at Owens Community College, near Toledo, Ohio, “particularly if you’re a trustee of the community college, most of the money is local money, but the federal government can help, particularly when it comes to job training.” More specifically, Bush promoted “job training partnerships between community colleges and local high-growth industries.” [*See* “Bush plan for community colleges: training ground for low-wage jobs”.] Federal funding will therefore be offered to those community colleges that create more job-training programs and certificates and closer ties to local industries. Coupled with ongoing state funding cuts and decreasing Pell grant monies, these measures will further diminish community college revenues, forcing administrators and trustees to grovel even more cravenly at the doorsteps of the private sector.

State governments’ responses to cuts in federal funding and the loss of revenues in general exemplify the increasing conflict between federal and state needs. On the one hand, many of the states are losing large numbers of good-paying jobs and view financing greater educational opportunities as a viable solution to their problems. On the other hand, implementing this solution will prove impossible within the present economic and political system.

For example, in Michigan, a state hit hard by the loss of good-paying, stable manufacturing jobs, Democratic Governor Jennifer Granholm created the Commission on Higher Education and Economic Growth and charged it to study “the link between post secondary education and economic growth in Michigan” (“Granholm Calls Higher Education Report a Road Map for Fundamental Change,” *Michigan.gov*, *Office of the Governor*). But while the commission’s recommendations call for “higher standards in Michigan’s high schools to prepare all students for post secondary education and a new compact between the state and its citizens to guarantee all students the opportunity to earn a college degree,” the commission’s suggestions for realizing these recommendations reveal the contradiction between big business’s drive for greater profits and the state’s (as well as its citizens’) need for greater educational opportunities.

To make Michigan more competitive in the job-creation market, the commission writes that the state “must now adapt and innovate to contend with global—not just national—competitors.” To accomplish this goal, it recommends creating “a culture of entrepreneurship” in which “Michigan’s two- and four-year higher education institutions must develop and offer entrepreneurial degree or certificate programs”.

But this recommendation ignores the real source of Michigan’s job-creation problem: the globalization of productive forces has outstripped the legal and geographical boundaries of the nation state. An “entrepreneur” in Michigan, no matter his or her skills or capital outlays, cannot compete with a counterpart in China that pays its workers 60 cents an hour and doesn’t provide benefits. Indeed, capitalism’s insatiable appetite for profits pits the American worker against the Chinese worker, or, for that matter, the Michigan worker against the Ohio worker. A “culture of entrepreneurship” will not coexist with a culture of human dignity.

The commission’s recommendations are made with all levels of higher education in mind, but its negative consequences will be felt most severely and sadly by community colleges. Without the research grants enjoyed by four-year schools, in addition to lesser tuition rates and the recent rule change in Pell Grant funding, two-year institutions, as presently configured, will be unable to operate at existing levels of efficiency, let alone meet the commission’s new demands. As a result, community colleges in rural, less-developed areas will offer fewer services or simply close their doors. Other community colleges will survive by further privatizing their operations.

More “partnerships” will be created in which both community college and business will enter joint profit-making ventures while students are left wondering how to juggle increasing tuition and book costs while receiving less financial assistance and working multiple jobs at minimum or near-minimum wages.