

Obama outlines plan to put higher education on rations

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28 January 2012

In a speech at the University of Michigan in Ann Arbor Friday, President Obama outlined his proposed changes to federal college financial aid programs. Presented as a program for college affordability, Obama's plan in fact sets the stage for further attacks on the right to quality higher education at a time when millions of students are drowning in debt.

Obama's speech capped a three-day speaking tour following his State of the Union address in states that are considered key for his re-election campaign. The event had something of the character of a campaign rally, and Obama sought to put on his "populist" persona for the largely student audience. The substance of Obama's remarks, however, revealed the enormous chasm between his administration's policies and the needs and concerns of ordinary working people.

The speech followed the outline of the State of the Union address, and Obama argued that mass unemployment among young people, including college graduates, would be addressed by his efforts to revive manufacturing. This strategy is based on the attempt to massively reduce the wages and benefits of workers in order to boost corporate profits. (See, "The State of the Union address")

Obama provided more details on his proposals for higher education, comprised of token measures, such as a tuition tax credit, and right-wing pro-business initiatives. The centerpiece is a plan to tie federal student aid to university tuition rates. "Let me put colleges and universities on notice: If you can't stop tuition from going up, the funding you get from taxpayers will go down" Obama declared.

The thrust of the various proposals is to leverage meager federal assistance to universities and the states into a mechanism for pressing for school "reform" and cuts to programs and pay for faculty. One proposal, a

\$1 billion grant competition for the states, is called the "Race to the Top for college affordability and completion," after the K-12 program by the same name that the administration has used to press for charter schools and attacks on teachers.

Another measure would increase the amount available for Perkins loans (a federal loan program coordinated directly with 1,700 postsecondary schools) from \$1 billion to \$8 billion. The White House has been at pains to point out that this measure would not cost the federal treasury any money, since the loans have to be repaid with interest.

These funds would also be tied to metrics of college performance, meaning that, perversely, students at colleges that increase tuition the most would receive the least amount of assistance. A White House fact sheet explains that "little or no campus aid will flow to colleges that fail to meet affordability standards."

Colleges and universities across the United States have raised tuition as aid from the states to higher education has been slashed. Since no additional funding is being allocated, they will be forced to cut costs elsewhere or forfeit federal assistance.

Obama's proposals will increase pressure on colleges and universities to slash costs by privatizing campus services, cutting the pay of campus employees and replacing full-time faculty with part time and adjunct professors, while offering more online courses. Schools will also be under pressure to further reduce financial aid programs at a time when need is soaring.

A third measure, the "First in the World competition," would, according to the White House fact sheet, provide "modest start-up funding" for colleges, "including private colleges," that implant "productivity improvements" such as "course redesign through improved use of technology" and "competency-

based approaches to gaining college credit.” That is, the federal government will push for online courses and other measures that allow for significantly reducing faculty by having professors teach to many times the number of students.

The crisis of higher education in the United States is severe and has only gotten worse under Obama. A January 23 report in the journal *Inside Higher Education* shows that state funding for colleges and universities declined by 7.6 percent from the 2011 to 2012 fiscal years. Overall funding for higher education is 4 percent lower than it was in 2007.

The state funding crisis at the root of recent drastic rises in tuition has been compounded by the policies of the Obama administration, which has refused to intervene with federal aid. Specific requests from states for federal assistance to forestall budget cuts have been rejected. With the paltry education funding in the federal stimulus running out, even more state cuts are planned for the coming year.

Growing numbers of students and their families are either unable to attend college or are forced to take on more and more debt to finance their education. Student debt is expected to soon hit \$1 trillion and already exceeds national credit card debt. The number of students forced to take out loans has surged from one-third to two-thirds over the last 10 years.

In his remarks Obama made much of his call to keep the cap on Stafford loan interest rates at 3.4 percent. The rates are set to double this summer to 6.8 percent, which would force about 8 million student borrowers to pay thousands of dollars in additional interest. Subsidized Stafford loans are based on need and account for almost half of all federal student loans. The fact that passage of such an elementary measure is even a question testifies to the enormous shift to the right that has taken place in both political parties.

Not only will Obama’s proposals fail to address the crisis of education in the US, he is seeking to leverage this crisis into a drive to even more closely align college education to the interests of big business. While not explained in his speech at the University of Michigan, Obama’s Jobs and Competitiveness Council—headed by General Electric CEO Jeffrey Immelt—released a report earlier this month calling for a greater subordination of the education system to private profit.

Business, the panel argued, “has an opportunity to be an essential voice in influencing the nation’s education policy, practice and innovation.” A “lack of alignment between what employers need and what skills are taught and delivered is becoming a critical problem for business and the nation,” they complained. The report calls for, among other things, greater partnerships between businesses and postsecondary educational institutions.

The end product of all Obama’s proposals is to subordinate even more fully the whole process of education to the profit motive. It is this subordination that lies at the very heart of the crisis of education in the United States.



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