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# Euphoria of Obama win tempered by budget woes

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By **Jon Marcus**

Some fear the financial climate will constrain new president's plans for sector. Jon Marcus reports

An era of "anti-intellectualism" has come to an end in the United States after Barack Obama's election as its next president, sector experts said after the historic result last week.

But as the euphoria surrounding Mr Obama's victory began to subside, they warned that budget constraints may limit his impact on higher education.

"We're going to have an Administration that values knowledge and research," said Jerry Israel, former president of the University of Indianapolis and now a consultant who worked for the Obama campaign.

Once he takes office, the new president - with the support of a Democrat-controlled Senate - is predicted to loosen the restrictions on stem-cell research that were imposed by President George Bush and the Republicans. And research universities are expected to benefit from his pledge to undertake a national crusade to develop alternative energy sources.

Mr Obama's election pledges on education focused largely on primary and secondary schools, including early-childhood development. But he pledged to double federal spending on university research, introduce a \$4,000 (£2,500) tax credit to offset tuition fees for students who carry out 100 hours of public service, and increase student grants.

Near the end of his campaign, Mr Obama began to caution that the multibillion-dollar bailout of banks, insurance companies and financial services firms, and the resulting budget deficit, will limit how much there is to spend elsewhere.

"I think they're going to come up against hard reality," said David Breneman, director of the masters degree in public policy at the University of Virginia and its former dean of education. "For good or evil, the higher education portion of the federal budget is in the discretionary column.

"The \$4,000 tax credit is very expensive. I don't think I heard him speaking so much about that towards the end as I did early on. I think that will get pushed aside."

On tuition grants, Dr Breneman said: "There might be modest moves, but I wouldn't look at any large increase. That would tend to be my forecast overall - that we're not going to see anything dramatic in higher education."

As Times Higher Education went to press, observers were speculating that President-elect Obama will choose an education secretary with a background in primary and secondary education.

"My prediction is that it will be somebody focused on K-12 (kindergarten to 12th grade), and then the highest higher-education official would be down at the assistant secretary level," Dr Breneman said. "That position is nearly invisible. I don't think there's going to be any higher-education glory in that appointment."

He continued: "On balance, higher education is going to benefit from this Administration far more than the previous one. But we're going to have to come to grips with the size of this national debt. And Mr Obama's first term is going to be absorbed with the economy and the war. His instincts are going to be very positive for higher education. I just think he's going to be frustrated by the budget problems."

But other experts were more optimistic about the prospects. Although a tax credit in exchange for public service might prove to be a costly initiative, Dr Israel said that "we can't afford not to (invest in such a scheme), either".

"If we are in a bad recession/depression, young people graduating from college will have trouble finding jobs. The idea of national service might come at a good time economically. That will be one big debate that will start, I think, relatively quickly," he said.

In addition to increasing the Democratic majority in Congress, voters backed higher education in a number of state ballots. In Michigan, for example, a referendum approved research using human embryos created in fertility procedures, which would otherwise be discarded.

It is the states rather than the federal Government that run the public universities and have the greatest impact on higher-education funding. Most states are experiencing deficits because of the economic downturn, yet voters approved increased spending on higher education in several, using gambling or lottery revenues or by selling bonds.

Republicans in Congress, who have capitalised on public anger over rising university costs by pressing for increased accountability, may continue to push on the funding issue. But universities do not have much to fear, according to Dan Angel, president of Golden Gate University in San Francisco and a former state legislator and US Senate staffer.

"That's political posturing for the next election," Dr Angel said.

And university students are likely to remain engaged in the political process, experts predicted. Hundreds of thousands took part in the Obama campaign, reversing the campus apathy of previous years.

"I'm old enough to have been in that same age bracket when JFK was elected, and I see a lot of parallels," Dr Breneman said.

"Kennedy energised my generation. It's hard to believe that anybody who got caught up in this election like these youngsters did will just drop it."

Dr Angel, too, remembers voting for the first time when John F. Kennedy ran against Richard Nixon in 1960.

"I had that same feeling for Kennedy that I've seen here. This is a huge event, and it has to give young people - and I hope more than just young people - a feeling that anything is possible in America. And that feeling stays with you."