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THE WHITE HOUSE  
WASHINGTON

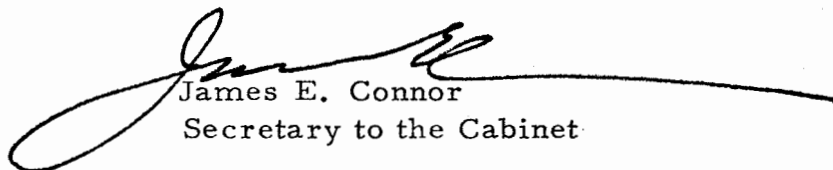
September 27, 1976

MEMORANDUM FOR  
THE HONORABLE FORREST DAVID MATHEWS  
Secretary of Health, Education & Welfare

The President reviewed your memorandum of September 16 concerning comments by the President of Ohio State University on the problems of federal over control and made the following notation:

"Excellent speech material"

Copies of the material have been sent to the President's speech-writers.

  
James E. Connor  
Secretary to the Cabinet

THE WHITE HOUSE

WASHINGTON

September 18, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

DOUG SMITH

FROM:

JIM CONNOR *JEC*

The attached material from Secretary Mathews was returned in the President's outbox with the following notation:

"Excellent speech material. Make several copies and get to Doug Smith and Bob Orben."

Please follow-up with appropriate use of this material.

cc: Dick Cheney  
Bob Orben

Attachment:

Sec. Mathews' memorandum of 9/16/76  
attaching Excerpts from remarks by:  
President Harold L. Enarson of Ohio State University

THE WHITE HOUSE  
WASHINGTON

September 17, 1976

MR PRESIDENT:

The attached is for your information.  
It will be handled in a routine manner  
unless you indicate otherwise.

Jim Connor

*Excellent speech material.  
Make several copies & get  
to Doug Smith + Bob Bibben*

THE WHITE HOUSE  
WASHINGTON

9/16/76

TO: JIM CONNOR

For the President's FYI file.

*RDL*  
Robert D. Linder



THE PRESIDENT HAS SEEN....

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

SEP 16 1976

RECEIVED AND SECURITY UNIT  
THE WHITE HOUSE  
WASHINGTON

1976 SEP 16 PM 6 08

*RNR*

MEMORANDUM FOR THE PRESIDENT

Attached are some comments by the President of Ohio State University, Dr. Harold L. Enarson, on the problems of federal over control. Since this is a subject dear to your heart, I thought you would like to be aware of this very reasoned and articulate statement of the problems.

*David M. [Signature]*  
Secretary

Attachment

cc: Dr. Harold L. Enarson

RESTORING THE PARTNERSHIP

Excerpts from Remarks by  
President Harold L. Enarson  
Ohio State University

Prepared for Presentation to the Ohio Congressional Delegation

June 1, 1976      Washington, D.C.

## RESTORING THE PARTNERSHIP

I welcome this opportunity to visit with you for a few minutes. Since there are 49,000 of your constituents getting their education at Ohio State, I think we have a mutual interest in getting better acquainted.

First I want to express my appreciation and that of the University for your continuing support. I know that we won't always agree on every issue. But I also know that the people of Ohio are proud of Ohio State, and I find that same kind of feeling reflected in our contacts with you and your staffs. Ohio State is a fine university. It serves all the state -- every county and Congressional district. And we need to work together to keep it strong.

I am here out of a sense of urgency and concern to say a few frank words. If I have any message it is this:

A fundamental change is taking place in the relationship between Washington and the nation's colleges and universities, a change which I find deeply disturbing.

Once we were partners working together to solve national problems. Now we view each other with suspicion, almost as adversaries. We overregulate on one hand and overreact on the other. We have placed the partnership in peril. And if it is to be restored, it urgently needs our attention and understanding.

Neither higher education nor the federal government fully understands what is happening, in all its subtleties and side effects. Certainly we don't.

I had hoped to come before you with statistics honed to a sharp edge. If not that, at least some reasonably accurate picture of the total federal impact on Ohio State.

What folly. I soon discovered that our search for precision was an exercise in frustration. Yet the reality is undeniable: the federal presence is everywhere in the university.

As president of Ohio State, my position may be unique in that I can see on one campus the federal impact on public higher education in all its manifestations. This year one-eighth of our total budget (\$43 million dollars) will come from federal sources. And here is what I see which is so disturbing:

I see dollar costs -- out-of-pocket expenses on a staggering scale.

I see debilitation -- a draining away of time and energy from the primary tasks of teaching and research.

I see bureaucratization -- the entanglement by and with government in ways which serve neither of us well.

And I see no end to it all -- to the overregulation of the American people.

Consider first the dollar costs. In a recent study, the American Council on Education concluded that it costs colleges and universities between one and four percent of their operating budgets to comply with federally mandated programs, such



as social security, affirmative action, occupational safety, and the rest. For schools such as ours which don't come under social security, the range is roughly one-half to two percent.

If we apply this yardstick to Ohio State's budget, it means that this year such programs will cost us several million dollars. And this estimate may well be understated. As ACE points out, its study did not include costs imposed by state government, expenses resulting from less than full recovery of indirect costs on federal contracts, and staff time devoted to implementing federally mandated programs.

When the cold dollars for such programs are laid out on a multi-million dollar scale, our first reaction is utter disbelief. Then the bills start coming in . . .

. . . \$50,000 a year in new costs to haul waste to a land-fill, the result of EPA requirements.

. . . An estimated \$250,000 in staff time and computer changes to protect the privacy of students under the Family Educational Rights and Privacy Act.

. . . Some \$885,000 the last two years, in anticipation of OSHA requirements, and as much as \$9.1 million in the years ahead to bring our buildings into compliance.

At this point, so that there is no misunderstanding, let me make it clear: Ohio State University supports the

goals of the federally mandated social programs with which we must comply. There is no question or equivocation on that score

Yet our alarm is nonetheless as real as the mounting costs we face each day. And one is tempted to observe in a moment of black humor that the lamp of learning, with its hazardous open flame and its environmentally polluting smoke, is fast becoming an inappropriate symbol for education in this country.

The burden of intense regulation also forces the university to bear a second kind of cost -- debilitation. It results from the maddening business of trying to fill out forms that seem unfair or inappropriate, of trying to understand regulations that are needlessly complex, of rushing to meet deadlines that are unrealistically short.

These exercises in compliance effectively drain morale and frustrate people at every level of the university. They reverberate throughout the organization, consuming our time and energy and diverting us from other tasks.

The third change which troubles me is the bureaucratization of our colleges and universities which is taking place, a kind of mummification under layer upon layer of rules and requirements. At Ohio State, we struggle and survive under the rules of some 275 to 300 agencies, bureaus, departments, and regulatory bodies.

We comply with a dozen or more mandated activities. We submit regularly a series of major compliance reports, plus a growing number of special reports and data profiles required by HEW, EEOC, and others.

But information is not free. In a bureaucracy, paperwork equals people. Someone has to keep the records, fill out the forms, summarize the data, write the reports -- only to have to do it again next month for a different agency and invariably in a different format.

We find ourselves caught between software and hard deadlines. And the only real option open to many schools is to add more staff and create new layers of bureaucrats.

Finally, and perhaps most troubling, is the fact that I see no end to the federal tendency to govern by decree rather than consent, as one observer put it. Laws beget regulations and court decisions and new laws and new regulations. And as each new Congress convenes, with its renewed sense of urgency, the cycle begins again.

I will leave it to you, in your quiet moments, to conjure up your own private nightmare of a nation immobilized by government regulation.

Admittedly, a university president's view of the federal impact is only one perspective. We also need to hear from those in the trenches -- in student aid, research, the health professions, and many others who daily try to make federal programs work.

As I listen to them describe the problems they face in doing business with Washington, I hear several common themes. For quick reference we might give them these labels:

"Flying Blind" -- the bizarre experience of attempting to comply with federal law in the absence of regulations. Or, more commonly, of trying to understand forms or regulations which are simply not clear.

The "Moving Target" problem -- particularly familiar to those in research who try to follow shifting federal priorities. Yesterday it was space, today it is energy. What will it be tomorrow?

A third theme of complaint is the "Short Fuse," the "Long Delay" and other timing problems. Too little lead-time -- either to apply for programs or to meet compliance deadlines. Delayed release of funds. Long uncertainties about appropriations, an agonizing waiting game for the student in mid-program or the scientist in mid-project.

"Feast or Famine," sometimes known as the "Spigot" problem, caused by lack of commitment and continuity in some federal programs and readily recognized on campus by the frantic annual scramble for funds by those involved.

"The Nose in the Tent" problem -- the dangerous business of government attempting to dictate curriculum, organizational structure, or in other ways moving into academic territory where it does not belong.

So much for catchy nomenclature. It is useful only to a point. Let's get down to cases . . .

. . . Our University radio and TV stations, under recent FCC order, are now required to pursue a new and complex procedure called "ascertainment of community problems." This is an additional FCC effort to insure that broadcasters operate in the public interest. Yet somehow our stations are expected to include this complicated review in their normal operations and absorb the staff costs involved.

. . . Capitation grants. When Washington said there was an urgent national need to train more health professionals, we responded as readily as the next. Now the phase-out has begun. In just two years our support has dropped \$1 million, and the deans of the health colleges are filing these bleak reports about what could happen if funds are cut off:

Medicine: Reduce non-tenured faculty and staff; possible cut in first-year admissions; increase teaching load of tenured faculty; less time for research and public service.

Dentistry: One-fourth of the faculty and staff now supported by capitation. Cut-off could jeopardize the integrity of the entire program.

Veterinary Medicine: Capitation now pays 14 percent of the net cost of educating each student. Cut-off would mean reduction in non-tenured faculty; possible enrollment cut.

And so the capitation story goes.

. . . Negotiation of indirect cost recovery now goes on continuously and costs the university an estimated \$50,000 a year. Recently the Business Office created a full-time position for this purpose.

. . . Last year it cost our student aid office nearly \$55,000 in unreimbursed expenses to administer federal aid programs. This year it will be higher due to the enormous growth in the BEOG program which is much more complex to administer. We have just added a full-time person to keep pace. Yet no administrative allowance is provided for BEOG. Hopefully, new legislation will soon change this situation.

. . . New regulations protecting human subjects in research now cost us an estimated \$25,000 out-of-pocket and probably as much again in staff time. No one disagrees with the intent of these rules. But we question whether the new review system imposed will be any better than the system of committees which we had for a long time. And it is certainly not self-evident that non-federal research should be subject to these controls. Nor is it self-evident that we should be threatened with the cutoff of all federal money if we do not comply.

But enough of problems and frustrations. It is not my purpose to bring to you an unrelieved litany of complaint. We also need to keep clearly in mind the good things which federal programs continue to accomplish at Ohio State. The record is impressive. Consider these examples.

. . . A medical center with facilities which are among the finest in the nation, made possible, in part, by \$24.5 million in federal funds received during the past 10 years.

. . . A Comprehensive Cancer Research and Demonstration Center, which some of you helped us achieve, providing a growing array of services for Ohio.

. . . Natural disaster preparedness programs, through our Continuing Education Division, helping schools, hospitals, and others learn how to prepare for tornadoes.

. . . A veterans clinic, offering outstanding medical care for 70,000 veterans from 32 counties, and exceptional clinical experience for those preparing for the health professions.

. . . A National Center for Vocational Education, working with state leaders and conducting research into the problems of worker adjustment, the disadvantaged, and careers for women -- a total effort serving Ohio and all 50 states.

. . . A Slavic Center, the only major program of its kind in Ohio, a valuable resource in developing international trade.

. . . A modern veterinary teaching hospital, largely federally funded.

. . . An estimated 10,000 students who are getting a chance to go to college thanks to financial aid from one or more federal programs.

Clearly, the ultimate payoff of the federal partnership with higher education is better and more humane lives for people. And these few illustrations from our experience at Ohio State convey some sense of why it is absolutely essential that the partnership not be allowed to fall into disrepair.

Having come this far, I don't intend to leave you with only the problem. After all, the problem is not yours, nor is it mine. It is ours. The real question we face is: How do we go about restoring the partnership?

Briefly, I think there are some things higher education is obliged to do.

First, we have a moral duty to cry with pain and anguish when we are hurt, to complain bitterly and to publicize it. I can't guarantee that in the short run we will get anywhere. But if enough of us are outraged and the cause is just, something will happen. To be numb in the face of gross imposition is terribly wrong.

Second, we in higher education have an obligation -- as well as a strategic necessity -- to work together to effect change. The bed rock on which we stand is common ground, and there is much about which we can speak with a unified voice.

Third, we have an obligation to work closely with government. Only in this way can we meet the needs of government for accountability and responsiveness, and the needs of the universities for basic autonomy.



I sense a kind of mutual exhaustion in higher education and government, not surprising after a decade of upheaval and rapid change. I think we both could use a breather from several things, including . . .

. . . New laws passed too quickly, without adequate consultation with those affected.

. . . From excessive regulations, over-long in gestation, tortured in delivery, and malfunctioning from the start.

. . . From new programs created but never funded.

Translation: promises made but never kept.

We need to restore our mutual respect by remembering the accomplishments of the past and reminding ourselves that the partnership can work. The GI Bill worked, and it changed the lives of millions. The Cooperative Extension Service continues to work, a good example of a program that has not bogged down in regulations.

We in higher education need your renewed understanding of the fundamental fact that a university is not a public utility, nor is it a business selling items off the shelf. Our services do not lend themselves to hardware contracting. Rather, a university is a distinctive institution in society -- and a fairly fragile one at that -- with a distinctive job to do.

Ohio State University is not a supplicant beseeching the powerful government for a handout. We take on major federal responsibilities because there is a joint interest involved. When we enter into a partnership to help fulfill a national goal, it does not follow that we should be subject

to every regulation or constraint imaginable. In a partnership, if it is to succeed, one partner does not heavy-hand the other. Their common interest must be their guide.

At the same time, if the partnership between Washington and higher education is to be restored, it must be restored on the basis of reality. To say to a university such as ours -- "You want the money, you accept the controls" -- is too simplistic. The fact is, we have no choice whether to be involved in major federal programs. There is no way that the president of Ohio State can say that we will not participate in federal student aid, research, or health assistance. Consequently -- and this is the point to remember -- all laws, rules, and regulations affecting higher education thus have a direct, immediate, and forceful impact on us.

The reality on which we rebuild our partnership must also recognize the fact that Washington's total impact on higher education is fast reaching "critical mass." A recent Library of Congress study identified 439 separate laws on the books affecting postsecondary education. Do we dare add more laws and more controls without first understanding the consequences?

Should we not require Washington to file an educational impact statement each time it proposes to tamper further with the academic landscape? To our credit as a people we have recognized the value and fragility of our natural resources, and we proceed now to alter them only with caution. Too much caution, some say, too little to suit others. But we generally agree that we want to understand the consequences of our actions before we take them.

Are the places where we train the minds of our people any less important to our future as a nation than our land, air, and water? I think not. Yet there is presently no one place in the government which has a total view of the federal impact on higher education. Agencies operate in isolation, spinning out regulations to suit their separate needs. At no point is the price tag added up.

Finally, and perhaps most urgent, we need to make the regulatory process more sane and sensible. Higher education must find ways to participate intimately in the drafting of regulations which are of utter and basic concern.

I applaud the efforts of Secretary Mathews in creating an Office of Regulatory Review for the specific purpose of improving the writing of regulations in HEW. I have been in touch with Dr. Mathews, and we are working with his staff to give them reactions and suggestions from Ohio State's vantage point.

I remain hopeful, but I don't expect miraculous change. Regulations are not going to go away. But I do see an encouraging awareness of the problem in Congress and the Administration, and I hope it continues after November.

Meanwhile, higher education must become much more expert and systematic in dealing with regulations and the process by which they are developed. Does this mean adding more staff, technical and legal experts we do not now have? That prospect goes against the grain. Yet most colleges and universities are ill-equipped to deal with the massed forces of the federal bureaucracy. We are on unfamiliar territory and losing ground fast.

There are some in higher education who already feel that their backs are against the wall. Their growing cries of alarm and anger -- indeed, my visit with you today -- should be a signal to Congress and the Administration that something dangerously wrong is happening. Wrong, not for the federal government, nor for higher education. Wrong for the people and the country and whatever hopes we hold for the future.

Will the partnership be restored? I think that remains an open question.