



The 2008 Elections: Implications for State Colleges and Universities

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Context

Strongly endorsing the mantra of “change,” Americans elected a president whose campaign raised the visibility of higher education to a level higher than in presidential elections of recent memory. Bolstered by a larger and emboldened Democratic majority in Congress, President-elect Barack Obama may well have the latitude to lead sweeping change across the federal policy landscape. However, addressing an economic collapse not witnessed since the Great Depression, wars on two fronts, and other hot-button foreign policy and domestic issues will demand the immediate attention of the new administration. The extent to which the president-elect will prioritize higher education issues—such as ensuring college affordability, facilitating greater international student exchanges, and spurring innovation through greater federal investment in academic research and development—will unfold in the months ahead.

Democratic majorities were also strengthened at the state level. As the post-election dust settles, a clear priority in many states, regardless of the power in governors’ mansions and in legislative chambers, will be balancing state budgets that are in tenuous

condition. If past cycles are predictive of how budget shortfalls will be addressed, state colleges and universities have plenty of reason for concern. Paring back appropriations for public colleges has so far been the popular choice of lawmakers as they rush to shore up current-year budget gaps.

The ballot measures in the 2008 general elections solicited citizen input regarding many important policy issues, which in some states will both directly and indirectly affect higher education. In short, the electorate was generally favorable toward higher education at the ballot box.

Finally, general elections in the U.S. are historic occasions that provide insight into our collective consciousness. They shed light on our shared beliefs and motivations, they highlight the qualities we look for in our leaders, and they elevate civic engagement and political discourse. As in previous elections, college campuses across America served as critical venues for the debate of ideas, and in many cases, as forums for impassioned deliberation among candidates themselves. The presidential campaigns, especially that of the president-elect, brought many thousands of college students

into the political process, continuing the recent movement toward greater youth engagement. As the American body politic conducts its post-election postmortem, campus leaders may also seek to look back and determine if the values inherent in the academy and indeed democracy itself—freedom of expression and the free exchange of ideas among them—were fully manifested during this election cycle.

The 2008 Elections—Federal

Same party Congressional majorities may hasten enactment of the president-elect’s policy priorities.

The extent to which the president-elect will be able to enact his legislative priorities in the first 100 days of his administration and beyond will be buoyed by expanded and emboldened Democrat majorities in Congress (see Table 1). Democrats in the U.S. House of Representatives gained 20 seats in the 2008 general election, giving them a 256 to 175 majority (with some seats still undecided as of 11/18/08).

The party also gained seven seats in the Senate, and with 58 senators in the caucus, is now just a few shy of the 60 seats needed to push through legislation unobstructed by the threat of filibuster (a recount is underway in the Minnesota senate race, and a run-off election will take place December 2 for the senate seat in Georgia). These larger Democratic majorities may well provide diminished resistance toward passing considerable legislation that was taken up by the 110th Congress but that failed to pass, such as legislation aimed at boosting the number of U.S. students participating in study abroad programs.

However, while conventional wisdom suggests that President-Elect Obama will have an easier time enacting his policy priorities in unison with solid Democratic Congressional majorities, there is no assurance that this will be the case in the 111th session of Congress. Democratic leaders in the House and Senate wield considerable power, and

Table 1. Balance of Power Pre- and Post-Election, 2008

	Pre-Election		Post-Election (as of 11/18/08)		Gain/Loss (as of 11/18/08)	
	Democrat	Republican	Democrat	Republican	Democrat	Republican
U.S. House	236	199	256	175**	+20	-20
U.S. Senate	51*	49	58***	40	+7	-7
State Legislatures—Seats****	3,993	3,310	4,088	3,220	+95	-90
State Legislatures—Individual Chambers	57	39	60	36	+3	-3
State Legislatures—Both Chambers	23	14	27	14	+4	-0-
Governors	28	22	29	21	+1	-1
States (governors + legislatures)	15	10	17	8	+2	-2

* Two Senate members are Independents but caucus with the Democrats.

** As of 11/18/08 four House seats currently held by Republicans remain undecided.

*** As of 11/18/08 two Senate seats remained undecided: in Georgia, a run-off election will take place Dec. 2; and the Minnesota senate race was still undergoing a recount.

**** Source for all state election outcomes is the National Conference of State Legislatures, based on unofficial results pending recounts, as of 11/7/08.

only time will tell how effectively the president-elect will be able to work with Congress and exert leadership in shaping the priorities of Congressional leaders.

Although higher education access and affordability were key themes of Obama's campaign, it is clear that priority number one in his new administration will be addressing a domestic economy in turmoil. Passing another economic stimulus package – if not done in the waning days of the George W. Bush administration – and passing a middle-class tax cut (by far his most visible proposal at the apex of the presidential campaign) will likely take precedence early on.

The need to reconcile Obama's proposed tax cuts with intense spending pressures may well dampen expectations for how much of his policy agenda can be enacted. Further, an ever-growing faction within the Democratic Party, the so-called Blue Dog Democrats (fiscal conservatives who adhere to "pay-as-you-go" spending) may also play a role in modifying the president-elect's policy and spending priorities.

College access for low and middle-income families is a stated priority of the president-elect. During the fall campaign, President-elect Obama often spoke of the challenge in saving for college and paying tuition. The foundation of Obama's higher education policy platform is a proposed American Opportunity Tax Credit, which would provide up to \$4,000 annually that could be claimed toward a fully refundable tax credit in exchange for a student's commitment to contribute 100 hours of public service a year. The refundable nature of the tax credit is aimed at ensuring that low-income families benefit, so that even if a student's tax liability is less than \$4,000, they will have their tax bill paid off and then would receive a tax credit for the remaining amount. Such a refund is not available with the existing two federal tax credits, Hope and Lifetime Learning.

It is assumed that the proposed credit would replace both the Hope tax credit (worth up to \$1,650) and the Lifetime Learning tax credit (worth up to

\$2,000). It is not clear whether the new credit would cover only tuition expenses or would include other college-related expenses such as room, board and textbooks. The intent is to ensure that the tax credit is available to families at the time of enrollment by using the prior year's tax data to deliver the credit when tuition is due, rather than a year or more later when the tax returns are filed.

Streamlining the process for applying for federal financial aid is another policy proposal championed by the incoming administration. The president-elect strongly favors eliminating the Free Application for Federal Student Aid (FAFSA)—and thus its many complicated calculations—and replacing it with an equally accurate but easier process for determining aid eligibility well in advance of enrollment in college. In tandem with the process for applying for federal aid is the amount of aid itself. In this regard, Obama has called for increasing the maximum Pell Grant at a rate that, at the very least, keeps pace with inflation.

Regarding college readiness, the president-elect has called for a \$25 million matching fund program for states to raise awareness of federal and state financial aid opportunities and to develop early assessment programs aimed at identifying and addressing early high school drop-out indicators. He has also called for creating a grant program for community colleges that would further their ability to identify regional workforce needs, to develop new degree programs in emerging fields and to incentivize the colleges for increasing their graduation and student transfer rates for those who go on to four-year institutions.

Obama has also weighed in on the issue of student lending. In 2007 he proposed to eliminate all subsidies to one of the federal government's two basic college loan programs, the Federal Family Education Loan (FFEL) Program. The proposal was reformist in nature, and likely in reaction to the scandal uncovered that year involving improper relationships between some private lenders and institutional financial aid offices. However, a number of influences may mitigate the incoming administration's intent in this regard. First, banks

and institutions have largely embedded greater transparency in their private loan marketing practices. Second, federal government subsidies to lending companies participating in the FFEL programs were reduced early in 2008, which resulted in a number of companies leaving the program due to diminished profit margins. And third, the credit crisis that engulfed the national marketplace increased consumer preference for the ever-more popular Direct Lending program.

Scientific research is likely to witness an infusion of increased federal dollars. The issue of economic competitiveness was elevated during the presidential campaign, with both candidates drawing a link between economic strength and innovation. Obama has pledged to support the doubling of federal funding for basic research over the next decade. He has specifically cited American colleges and universities as key partners in an expanded research agenda and proposed a new grant program to attract young outstanding early-career researchers to critical fields. The presidential candidates also called attention to the need for energy independence due to record-high gas prices during the summer, and as a result, colleges and universities may see increased federal funding for research involving energy and sustainability. To facilitate his energy policy, Obama has called for an investment of \$150 billion over 10 years toward energy development and deployment, advancing the next generation of bio-fuels and fuel-infrastructure, accelerating the commercialization of plug-in hybrids, and developing commercial-scale renewable energy sources.

Another policy and funding priority of the incoming administration is biomedical and stem cell research. Obama has previously backed legislation to relax federal restrictions on stem-cell research. Twice in recent years Congress has passed bills allowing scientists to conduct research on human embryos from in-vitro fertilization clinics that would otherwise be destroyed, only to have them vetoed by President Bush.

The 2008 Elections—In the States

In the states, Democrats witnessed strong gains in the legislative arena, giving the party an added voice in policy issues and in 2010 redistricting. However, as on the federal level, the fiscal realities plaguing states will temper expectations. In 12 of the past 18 presidential elections, the party that won the White House also gained state legislative seats. This proved to be the case this year, with Democrats gaining one governorship (Missouri) and nearly 100 house and senate seats combined. While Democrats netted an overall increase in state legislative seats and gained legislative control in four states, both parties scored victories. Republicans took over legislative control in Tennessee and Oklahoma for the first time ever, and gained seats elsewhere in the South. Democrats gained control of legislatures in Delaware, Nevada, New York and Wisconsin, strengthening their majority in the Northeast. The Pennsylvania Senate is now the only chamber north of Virginia that remains in Republican hands.

According to Tim Storey, elections specialist with the National Conference of State Legislatures (NCSL), voters reversed a trend in recent elections and left states with the fewest number of politically divided legislatures since 1982. While partisan control of legislatures shifted in a dozen states, an end result was that only eight states now have split legislative control – Alaska, Indiana, Kentucky, Ohio, Michigan, Montana, Pennsylvania and Virginia. Two overall themes stemming from state elections, according to Storey, are a solidification of party power on a regional basis (Republicans in the South; Democrats in the Northeast) and a decline in partisan parity across the nation.

The 2008 elections have additional significance due to the enhanced influence the party in power will have over the upcoming redistricting cycle. During this election cycle, 642 senate seats in 30 states were filled and will not be up for election again until after the 2010 census numbers are reported; these seats will be included in redistricting that starts in 2011. These senators, elected to four-year terms, will help redraw boundaries for congressional and state

legislative districts to be used throughout the next decade.

As with the president-elect and members of Congress, governors and state lawmakers have one overarching policy priority: shoring up the economy. Weak state revenue performance, growing budget gaps, widespread budget cuts and faltering economic conditions in most states will lend focus to gubernatorial and legislative agendas. Unlike the federal government, states must balance their budgets. In many cases, ambitious spending plans have given way to talk (and action) of tax and fee increases, raiding rainy day funds, delaying investments in capital projects, hiring freezes and across-the-board cuts to state agencies, and in some cases, to state colleges and universities.

Voters weighed in on a wide array of state ballot measures, many of which affect higher education.

Across the country, a total of 153 questions qualified for statewide ballots, representing a large but not a record number. Out of the total ballot questions, 59 were citizen-initiated ballot measures spread across 16 of the 24 states that allow ballot initiatives. Voters in some states faced a ballot with a long list of measures; examples include Colorado with 14, and a dozen in both California and Oregon.

According to Jennie Drage Bowser, elections expert at the National Conference of State Legislatures, no single theme dominated this year's ballot measures. This is a shift from 2004 and 2006, during which voters in many states weighed in on same-sex marriage, property rights issues and minimum wage. The 2008 election comprised a wide-range of measures including taxes, social issues, education, health care and gambling.

Voters approved 25 of the 59 citizen initiatives, resulting in a pass rate of 42 percent, lower than the average pass rate of 49 percent for all such initiatives between 1996 and 2006. Of the 84 measures referred by legislatures, voters approved 61 and rejected 23. This pass rate of 73 percent is slightly lower than the 77 percent overall average approval rate of legislative measures that appeared on statewide ballots between 1996 and 2006.

Provided here is a review of key ballot measures of relevance to higher education:

Affirmative Action: It was a split decision on whether to ban preferential treatment on the basis of race or gender in public employment, education and contracting. **Nebraska** voters passed a ban on affirmative action, but in **Colorado** voters—by a margin of one percentage point—rejected a similar measure, handing prominent backer Ward Connerly and other proponents their first statewide defeat. Nebraska now joins California, Washington and Michigan in having passed affirmative action bans. Political analysts point to a cluttered ballot (14 total measures) and a presidential candidate that turned the formerly red state to blue as reasons for the measure's defeat in Colorado. In addition to considering another attempt in Colorado, Connerly is already making an effort to get a similar measure on the Missouri ballot in 2010, and is also looking at doing the same in Arizona.

Tax Policy: Fluctuations in state tax revenues can significantly impact appropriations to public postsecondary institutions. The 2008 election featured four states (**Colorado, Florida, Maine** and **Minnesota**) with measures seeking to raise taxes (or eliminate tax credits). Among the most contested was Amendment 58 in Colorado. This amendment would have eliminated a tax credit for oil and gas producers, with the additional state revenues generated earmarked for the creation of the Colorado Promise Scholarship Program to provide need-based aid to residents enrolled in the state's higher education system. Conversely, ballot measures in four states (**Massachusetts, Montana, North Dakota** and **Oregon**) offered tax cuts. The most dramatic of these was in Massachusetts, where Question 1 sought to completely repeal the state income tax, resulting in a reduction of \$12 billion in revenues or close to 40 percent of the state's budget. In Montana, voters extended—for 10 years—a property tax due to expire in 2009, which provides about \$12 million annually to the state's university system.

The overall outcome regarding tax-related ballot measures? Clearly, voters were not inclined to

raise taxes, and only Minnesota voters approved a measure increasing the state sales tax 3/8 of 1 percent to raise funds for environmental initiatives. However, citizens were also generally unreceptive to imposing tax cuts on themselves, with all four state tax-cut measures having failed. Says Drage Bowser of the NCSL, “When it came to tax cut ballot measures, it appears that citizens realized that they would have witnessed modest personal savings, but recognized the long-term value of public services that they receive.”

Gambling Expansion: If there was one theme common among state ballot initiatives in this election, it was an expansion of state gaming, where measures appeared in six states. Voters rejected the option of constructing new casinos in **Ohio** and **Maine**. The gambling-expansion measures in the other four states passed: in all cases the intent was to provide additional funds in support of both secondary and postsecondary education. **Arkansas** voters passed a constitutional amendment establishing a state lottery (leaving just seven states without one), with projected proceeds to contribute between \$60 and \$100 million to a scholarship program for students attending the state’s public and private, nonprofit two-year and four-year colleges. **Colorado** voters passed a measure expanding casino hours and increases in minimum bets, of which 78 percent of tax revenues generated from those changes will be allocated to community colleges for student aid and classroom instruction. In **Maryland**, a measure passed to amend the state constitution to allow up to 15,000 video-lottery slot machines in five locations to raise revenue for K-12 education, public school capital improvements and new school construction, as well as construction of capital projects at the state’s community colleges and four-year public universities. **Missouri** voters gave their approval to changes in state law to eliminate the maximum loss limit for gambling and to raise the state gaming tax from 20 percent to 21 percent, which is expected to generate estimated additional revenues of \$105 to \$130 million for K-12 education and \$5 to \$7 million for higher education, early childhood development, veterans and other programs. Finally, voters in **Oregon** rejected a

measure that would have earmarked 15 percent of lottery proceeds to establish a public safety fund for law enforcement. Had it passed, it would have redirected lottery monies away from capital projects and research programs of the University of Oregon system.

Capital Construction Bond Measures: The total dollar volume of bond measures appearing on state ballots in 2008 was down considerably, standing at about \$18 billion compared to \$43 billion in 2006. According to the NCSL, 90 percent of state bond measures typically pass in any given election. In the 2008 election, however, the pass rate stood closer to 75 percent, with some \$13.4 billion in state bonds being approved by voters in several states. In **New Mexico**, voters approved two bond measures affecting the state’s higher education system. One would provide \$58 million in state funds for construction and renovation of health care and research facilities, of which \$40 million would be earmarked for such facilities at colleges and universities. The other would provide \$140 million in funds for higher education construction projects.

Stem Cell Research: Michigan is now the third state (joining California and Missouri) to pass a ballot measure—this one, an amendment to that state’s constitution—allowing stem cell research. The research is limited to the use of human embryos that are created for fertility treatment purposes but are not suitable for implantation or are in excess of clinical needs and otherwise would be discarded. The measure has particular implications for the state’s research-intensive universities—the University of Michigan, Michigan State University and Wayne State University. While the measure will allow private funds for stem cell research, a ban on federal funding of research using embryonic stem cell lines has been in effect since 1991 via executive orders signed by both presidents Bill Clinton and George W. Bush. President-elect Obama has indicated his strong support for expanded stem cell research and has vowed to reverse current restrictions on federal funding via executive order.

Governance: On the issue of higher education governance, the citizens of **Louisiana** approved a

measure to enact term limits for members of several state commissions, including the Board of Regents, which coordinates public higher education in the state, and the Board of Supervisors of the University of Louisiana System, Louisiana State University and A&M College, Southern University and A&M College, and the Louisiana Community and Technical College System. Board members can now serve no more than three consecutive terms.

An energized youth electorate may have elevated the visibility of college affordability issues. Much to the credit of President-elect Obama, the historic 2008 presidential campaign inspired hundreds of thousands of American youth to become engaged in the democratic process. These young people may go on to press the president and other elected officials at the federal and state levels on “pocketbook” issues that affect them, chiefly, paying for college tuition. According to research conducted by the Tufts University Center for Information and Research on Civic Learning and Engagement (CIRCLE), an estimated 23 million Americans under the age of 30 voted in the 2008 general election, favoring the winning presidential candidate by more than 2 to 1. This total was 3.4 million more young people than in 2004. The youth turnout rate increased about 5 percent, reaching nearly 53 percent, and accounted for at least 60 percent of the overall increase in voting.

Given that many of these young adults are currently striving to pay costs associated with attending college, the issues of college affordability and access may bring into the fold a larger number of potential future advocates and political activists who may well participate vocally and boldly in issues affecting higher education.

Conclusion

Each U.S. presidential election cycle is witness to an array of issues and causes as diverse as the backgrounds of those who champion them, and all

of which compete for visibility among the electorate and the candidates themselves. The extent to which higher education issues will be a focal point in the state and federal policy arena will become evident in the months ahead. But one thing remains certain: aided by sound public policy and sustained through adequate public support, America’s state colleges and universities will continue to play a critical role in strengthening the civic fabric of our nation and its global competitive standing.

Resources

Governing Magazine, Governing.com and Governing.com

Daily. *Governing Magazine*, published by *Congressional Quarterly*, is a monthly publication whose primary audience is state and local government officials and addresses a wide range of issues pertaining to effective governance. *Governing.com* is an online resource and *Governing.com Daily* is a free electronic newsletter featuring news of interest to state and local officials.

governing.com

NCSL State Ballot Database. This searchable database includes all legislative referendums, initiatives and popular referendum, by state and by subject, and the pass/fail results.

ncsl.org/programs/legismgt/elect/dbintro.htm

Stateline.org. *Stateline.org* is a nonprofit, nonpartisan online news site that practices journalism in the public interest by reporting on emerging trends and issues in state policy and politics and chronicles the top developments in all 50 states. *Stateline.org* is published each weekday with funding from The Pew Charitable Trusts.

stateline.org/live

Tufts University Center for Information and Research on Civic Learning and Engagement (CIRCLE). CIRCLE conducts research on the civic and political engagement of Americans between the ages of 15 and 25. The Center was founded in 2001 with a grant from The Pew Charitable Trusts and is now also funded by the Carnegie Corporation and several foundations. It is based at the Jonathan M. Tisch College of Citizenship and Public Service at Tufts University.

civicyouth.org