

# **Bureaucracy and Grove City College:**

How One College Resisted the Bureaucratization of  
Higher Education

Brae F. Sadler

2/03/2024

## Abstract

*The goal of this paper is to explain the relevance of Mises's Bureaucracy in the context of Higher Education and Grove City College. First, the paper begins with a brief history of bureaucratization in higher education. Second, it applies Mises's analysis of bureaucratic management of government and privately owned enterprises to public and private colleges. Third, using Mises as a starting point the paper will lay out three key problems facing higher education: low standards for students, ideological culture, and administrative bloat. Fourth, the paper will explore Grove City College's history and how the college has avoided the problems of bureaucratization by remaining independent and true to its mission. Last, it concludes by looking at several important challenges facing Grove City College.*

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## Introduction

In the last section of his *Bureaucracy*, Ludwig von Mises laments the loss of the “critical sense” that protected people from authoritarianism, “the absence of criticism makes it possible to tell people that they will be free men in a system of all-round regimentation” (Mises 1944, 108). According to Mises, this was the fault of a government takeover of education which taught students falsehood, especially in economics (Mises 1944, 82). The prime example was the German Empire in which the universities formed an “intellectual bodyguard of the house of Hohenzollern” (Mises 1944, 83) or the German royal family.

However, Mises wrote his book in 1944 before bureaucracy dominated American universities. In 1950, students were divided evenly between public and private colleges (Edwards 2000, 130). Today public universities attract 77% of all college students in the country (NCES 2023b). America is undergoing the bureaucratization that Mises warned of. Yet, this is not inevitable, some institutions have avoided bureaucratization. Foremost among them is Grove City College since its founding Grove City has struggled to maintain its independence. Due to its dedication to the principles of faith and freedom, the college stands as a bastion of liberal arts education. Contrasting Grove City College with general trends can provide a roadmap for others to resist bureaucratization.

## A Brief History

One of the most common errors in economics is the idea of a ‘third way’ between capitalism and socialism. Mises corrects this, “economic interventionism is a self-defeating policy... They [economic interventions] bring about a state of affairs, which... is more

undesirable than the previous state” (Mises 1944, 119). His critique is certainly true in higher education. The American university system has undergone a transformation from a free market system to a highly bureaucratized one where critical sense is lost.

When Mises wrote *Bureaucracy* in the first half of the 20<sup>th</sup> century American education was largely private. In 1910 the three greatest universities: Harvard, Columbia, and Chicago were all private (Vedder 2019, 96). However, Congress passed the Servicemen’s Readjustment Act otherwise known as the GI Bill in 1944, which paid for the college of all veterans (Martorell 2013, 3). Mostly funds came with no strings attached but aid could only be spent at accredited colleges (Edwards 2000, 109). By 1946 57% of American full-time college students were veterans (Dayton 1973, 181). For the first time colleges were receiving massive government subsidies.

Still, by 1950 American higher education was decentralized. The impact of the GI Bill faded as fewer men entered the military after the Korean War (Edwards 2000, 116). However, government investment continued with the National Defense Education Act (NDEA) in 1958 after the Soviet Union launched the Sputnik satellite and tensions in the Cold War escalated. The NDEA established the grant and the student loan system we have today (Vedder 2019, 115). Fortunately, some leaders were worried that the growth of the federal government into education would compromise the independence of colleges. As a result, Congress inserted Section 102 into the NDEA which prevented government regulation of schools that took funding (Mackenzie 1980, 120). However, schools still needed to be accredited by agencies that imposed government standards (Eaton 2010, 21).

Unfortunately, the government soon started to directly regulate the affairs of colleges. The Education Amendments Act of 1972 required colleges that received federal funds to follow anti-discrimination regulations (Mackenzie 1980, 120). Government interference started soon after, for example the University of California Berkeley was forced to create diversity hiring goals, and affirmative action soon followed (Edwards 2000, 202). Previously free, government funds now came with government regulation.

### **Bureaucracy in Public and Private Colleges**

Today's higher education system is a product of the bureaucratization that began with the GI Bill in 1944. Mises describes bureaucratic management as "management bound to comply with detailed rules and regulations fixed by a higher body" (Mises 1945, 45). Under this definition both private and public institutions of higher learning are bureaucracies.

Public colleges and universities are operated as publicly- owned firms that Mises would classify as bureaucratic. They provide goods and services but do not operate off of a profit motive since they are subsidized by the government (Mises 1946, 59). Considering approximately 38% of all public university funding comes directly from the federal government (Pew Research Center 2019) it can be said public universities depend on that funding. Additionally, public universities are governed through a bureaucratic process. University governing boards are either chosen by state legislatures directly or subject to Boards of Governors that direct public schools. For example, in the state of Florida all public colleges and universities are subject to the state's Board of Governors (Office of Policy Analysis and Government 2019). States may have slightly different systems, but the governance is always bureaucratic.

Private colleges and universities, on the other hand, are bureaucratized through indirect ways. Mises explained a similar phenomenon in continental Europe when private enterprises depended on the government to operate (Mises 1944, 71). Indirect ways include regulation attached to funding and accreditation. For example, in 1987 Congress passed the Civil Rights Restoration Act which mandated that any institution taking federal funding must comply with Civil Rights regulation (Edwards 2000, 223). Considering 9% (NCES 2023a) of all private school funding comes directly from the government and even more through indirect aid to students, most private schools must abide by government regulation. Such regulations have spurred a class of administrators responsible for compliance, contributing to administrative bloat (Vedder 2019, 193). Another way colleges are bureaucratized is through accreditation. To be eligible for federal funds a school must be accredited through an accreditation agency (Vedder 2019, 255). In turn these agencies are approved by the Department of Education (Hall 2012, 236). The various accreditation agencies need to maintain standards amongst member colleges set by the Department of Education. Institutions that lose accreditation are likely to go bankrupt.

### **Problems of Bureaucratization**

Once a particular part of the economy is bureaucratized, then it becomes impossible for it to operate off the profit and loss system (Mises 1947, 59). Thus, it becomes inefficient and poorly serves consumers. Higher education is no different. The bureaucratization process results in a lowering of standards, an ideological culture, and administrative bloat.

### *Lower Standards*

Bureaucratization causes universities to ill-prepare students for life after college. Surprisingly more students go to college than jobs that require college degrees. Thus, in the early 2010s, there were 41.7 million college graduates while only 28.6 million jobs required degrees (Vedder 2019, 72). College is not solely about vocational training, it should equip students with necessary skills such as critical thinking, work- ethic, and teamwork (Caplan 2018, 18). These foundational skills are transferable between the classroom and the workplace. However, schools are failing to teach students these skills. Curiously while students in the early 1960s on average had below a 3.0 GPA (Vedder 2019, 72) and studied 40 hours a week (Vedder 2019, 73); today the median college GPA is 3.28 (Cecila 2023) while students on average only studied 17 hours a week (Pierre 2014). College students are working less for degrees than in the past. Thus, students do not learn the skills they so desperately need in the workforce. The blame rests upon bureaucracy. Government funding allowed a surge of new students to enter college. This meant more revenues for universities. Yet federal aid only came if students stayed in college. Therefore, colleges have an incentive to lower standards to maintain enrollment. Unfortunately, this meant an inflation in student grades and a lowering of quality in higher education.

### *Ideological Culture*

Bureaucracy in higher education makes colleges ideological. Mises observed that if an organization was not governed by profit and loss, it must have another animating ethos (Mises 1947, 60). In modern higher education, that ethos is ideology, specifically radical leftism. Today liberals outnumber conservatives with 8.5 Democrat professors for every Republican (Lukianoff



and Schlott 2023, 57). Moreover, dissenting professors believe they are being pressured to not express their beliefs. A shocking 72% of conservative faculty worried they may lose their jobs due to their opinions in 2022 (Lukianoff and Schlott 2023, 59). Some institutions are outwardly stifling free speech with bias reporting systems. These systems encourage students to report 'offensive language' to authorities. A survey of 824 American colleges found that 456 institutions maintained biased reporting systems (Speech First 2022, 3). Understandably 80 percent of college students say they self-censor their speech (Carrasco 2021). The majority of colleges are ideological strongholds not centers of free inquiry.

### *Administrative Bloat*

Lastly, bureaucratization causes administrative bloat. Between 1976 and 2018 student enrollment rose by 78%, full-time faculty by 82%, full-time administrators grew by 164%, and non-teaching professionals by 465% (Weinstein 2023). Many of these administrators and professionals act as bureaucrats in the college system. Their growth is due to a lack of profit signals that optimize efficiency. In the absence of market signals, there is no way for bureaucratic managers to know what goods or services citizens demand. They focus on their own departments trying to improve their performance, which can always be made better with more resources (Mises 1947, 62). In higher education administrators try to better their offices by expanding them. As bureaucracies expand in higher education, so do their costs. In the 1929-1930 school year administrative and general expenses consumed 11 percent of total higher education spending (Vedder 2019, 176). Today 23% of college expenditures go toward administrative support (Jones 2023). The bloat of bureaucracy is increasingly costly for higher education.

## The Exception, Grove City College

Grove City College nicknamed “Freedom’s college” remains a beacon of independence in higher education. Founded in 1876 by Isaac Ketler to pursue the mission of sending “out young men and women who do not only have well- trained and efficient minds but who possess well- rounded individuals, who respond to high motives, and who follow high ideals" (Edwards 2000, 54). The college remains true to this mission and has avoided many bureaucratic pitfalls. Academically, Grove City students rank above national averages. For example, in 2021 average Grove City College student Major Field Test Scores were above 81% of national scores (Welton n.d). Moreover, students retain a critical sense through training in theology, social science, philosophy, and empirical science as part of the liberal arts curriculum. This curriculum is designed to equip students with a Christian worldview (Van Til 2015, 118). However, Grove City College has faced challenges of bureaucratization in the past that required school leaders to exert an intentional effort to resist.

### *Federal Funding*

Grove City College has not taken government aid directly for over a century. In fact, it has been hostile to federal funding. In the aftermath of WW2 when the government began to give direct funds to colleges J. Howard Pew the President of the Board of Trustees said about government subsidies “little by little this control will expand until like a blighting cancer, it will infect our whole education system” (Edwards 2000, 114). The college's commitment to independence was often inconvenient. During the 1960s President Stanley Harker had trouble fundraising the MAP North Dormitory because possible donors expected the college to pursue federal aid (Dayton 1973, 219). Thankfully, the building was completed with private funds.

Even during the Supreme Court case *Grove City College vs. Bell*, the college maintained that it had never taken a grant, loan, or any other kind of aid from the government (Edwards 2000, 199). The policy of not accepting federal funds continues to the present day. And continues to protect the college from bureaucratization. In 2021 the Biden administration required all federal contractors to comply with COVID- 19 vaccine mandates (Redden 2021). This included many universities which have contracts with the government. Yet, Grove City College did not mandate vaccines because it did not have any business with the federal government.

### *Christian Beliefs*

Unlike the rest of higher education Grove City College has remained anti- ideological. From its beginning Grove City College has been nondenominational although it leaned Reformed theologically (Edwards 2000, 20). President Stanley Harker who headed the college from 1956- 1971 said “in our search for truth, we must objectively pursue all viewpoints on our campus, living within our heritage under a Christian umbrella” (Van Til 2016, 94). Never has Grove City College been an echo- chamber. However, there was a moment when Grove City’s Christian identity was at stake. In 1957 the Middle States Commission on Higher Education revoked Grove City’s accreditation (Dayton 1973, 205). The college had little choice but to comply since large parts of the student body- veterans, paid their tuition and board with funds from the GI bill. At one-point veterans made up 51 percent of the student body (Dayton 1973, 181). While Harker made significant progress and Grove City College was re-accredited in 1960 (Dayton 1973, 21), academic and student life grew more secular. During the 1960s less emphasis was placed on the Bible in the classroom (Van Till 2016, 92) and student life revolved around sex, drugs, and alcohol (Van Till 2016, 101). After Harker retired in 1971, Charles Mackenzie was selected as Grove City College’s new president. One of his biggest

achievements was the Keystone curriculum, Grove City's 18 hours liberal arts core (Edwards 2000, 236). Today the curriculum exposes students to different perspectives in various disciplines and encourages critical thinking. Yet it does this from a Christian perspective. The Keystone curriculum and other actions by Mackenzie made the college what it is today. Grove City College still stands by its mission of being non-ideological. In 2022 after cries from students and alumni to ban supposed CRT on campus, the Board of Trustees answered, "controversial subjects can only be studied through critical examination of contending views" (Grove City College Trustees 2022). Today Grove City is a marketplace of ideas unlike the rest of higher education.

### *Taking on the Government*

One of the larger challenges Grove City College faced came in 1976 in the form of a letter from the Department of Health, Education, and Welfare (DHEW). It required the college to comply with Title IX sex anti-discrimination regulations (Edwards 2000, 196). If college refused, then all government funds to students would be cut off. At this time a quarter of Grove City students received federal aid (Edwards 2000, 198) Interestingly the government did not accuse Grove City of ever discriminating against women (Graham 1998, 414). Instead, the DHEW wanted the college's assurance to abide by regulations, even when no violation happened. Bravely Mackenzie, with the support of the Board of Trustees, refused to sign the letter. When DHEW terminated all aid to students the college sued. The result was an eight-year legal battle culminating in the Supreme Court case: *Grove City College v. Bell* in 1984. The result was a mixed victory with the court ruling that even indirect aid brought colleges under Title IX regulation, but that regulation only applied to the department of the college receiving the aid (Edwards 2000, 221). For Grove City College only the admissions office would be

subject to Title IX, the rest of the institution would be free. The decision halted several federal investigations into universities and schools across the country for Title IX violations (Graham 1998, 418).

Unfortunately, even a limited victory was temporary. In 1988 Congress passed the Civil Rights Restoration Act or 'Grove City' Bill which mandated any institution accepting indirect federal aid would subject its whole self to regulation (Graham 1998, 424). Over the next 8 years government pressure grew until 1996 when Grove City College withdrew from the federal student loan program (Edwards 2000, 225). Today the college does not accept any federal aid and consequently is not subject to government authority. Additionally, it managed to cope with the effects of accreditation. Grove City College, through tenacious loyalty to its mission has avoided the problems of bureaucratization endemic to the rest of higher education.

### **Looking Forward**

Grove City's achievements can hardly be overemphasized. However, the battle for independence is far from over. A new challenge is brewing through accreditation. Grove City College's accrediting agency, the Middle States Commission on Higher Education (MSCHE), has revised its accreditation guidelines to include Diversity, Equity, and Inclusion (DEI) principles. The newest *Standards for Accreditation and Requirements of Affiliation* of the MSCHE includes DEI as one of its "5 Guiding Principles" (Middle States Commission on Higher Education n.db). Grove City College will be required to demonstrate "evidence of alignment between mission, strategic goals, and diversity, equity, and inclusion principle" (Middle States Commission on Higher Education n.da). These guidelines will be applicable to

Grove City College during the next accreditation visit in 2027 (Grove City College 2018).

The impact of DEI may already be hitting the Grove City campus. In the 2022- 2023 edition of the Crimson student handbook under the “Civility and Respect” community standards section I states “the use of language or symbols that, in the view of the College, demean the inherent dignity of another individual” (Grove City College 2022, 10) would be a violation of college policy. No objective definition or test for “demeaning” language is given and it remains a matter of subjective opinion. Moreover, previous editions before that school year do not contain the same rule (Grove City College n.d, 12). The subjective definition of “demeaning” languages allows for otherwise inoffensive language to be punishable, representing a risk to student free speech on campus.

While Grove City College must meet the challenges of the future it should be proud of its past. It is truly an exceptional institution. As discussed, this is not Grove City’s first battle with bureaucratization. The college has a history of fighting for faith & freedom and a lineage of Austrian economists familiar with the teachings of Mises. Through a commitment to independence, strong Christian beliefs, and the fortitude to stand up to government actors, Grove City College has successfully maintained high standards, avoided any ideological takeover, and minimized administrative bloat. Colleges and universities across the country can look to Grove City College for strategies for battling the onslaught of bureaucratization in higher education today. Grove City College remains a model for maintaining critical sense.

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### *Lower Standards*

Bureaucratization causes universities to ill-prepare students for life after college. Surprisingly more students go to college than jobs that require college degrees. Thus, in the early 2010s, there were 41.7 million college graduates while only 28.6 million jobs required degrees (Vedder 2019, 72). College is not solely about vocational training, it should equip students with necessary skills such as critical thinking, work- ethic, and teamwork (Caplan 2018, 18). These foundational skills are transferable between the classroom and the workplace. However, schools are failing to teach students these skills. Curiously while students in the early 1960s on average had below a 3.0 GPA (Vedder 2019, 72) and studied 40 hours a week (Vedder 2019, 73); today the median college GPA is 3.28 (Cecila 2023) while students on average only studied 17 hours a week (Pierre 2014). College students are working less for degrees than in the past. Thus, students do not learn the skills they so desperately need in the workforce. The blame rests upon bureaucracy. Government funding allowed a surge of new students to enter college. This meant more revenues for universities. Yet federal aid only came if students stayed in college. Therefore, colleges have an incentive to lower standards to maintain enrollment. Unfortunately, this meant an inflation in student grades and a lowering of quality in higher education.

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Bureaucracy in higher education makes colleges ideological. Mises observed that if an organization was not governed by profit and loss, it must have another animating ethos (Mises 1947, 60). In modern higher education, that ethos is ideology, specifically radical leftism. Today liberals outnumber conservatives with 8.5 Democrat professors for every Republican (Lukianoff

and Schlott 2023, 57). Moreover, dissenting professors believe they are being pressured to not express their beliefs. A shocking 72% of conservative faculty worried they may lose their jobs due to their opinions in 2022 (Lukianoff and Schlott 2023, 59). Some institutions are outwardly stifling free speech with bias reporting systems. These systems encourage students to report 'offensive language' to authorities. A survey of 824 American colleges found that 456 institutions maintained biased reporting systems (Speech First 2022, 3). Understandably 80 percent of college students say they self-censor their speech (Carrasco 2021). The majority of colleges are ideological strongholds not centers of free inquiry.

### *Administrative Bloat*

Lastly, bureaucratization causes administrative bloat. Between 1976 and 2018 student enrollment rose by 78%, full-time faculty by 82%, full-time administrators grew by 164%, and non-teaching professionals by 465% (Weinstein 2023). Many of these administrators and professionals act as bureaucrats in the college system. Their growth is due to a lack of profit signals that optimize efficiency. In the absence of market signals, there is no way for bureaucratic managers to know what goods or services citizens demand. They focus on their own departments trying to improve their performance, which can always be made better with more resources (Mises 1947, 62). In higher education administrators try to better their offices by expanding them. As bureaucracies expand in higher education, so do their costs. In the 1929-1930 school year administrative and general expenses consumed 11 percent of total higher education spending (Vedder 2019, 176). Today 23% of college expenditures go toward administrative support (Jones 2023). The bloat of bureaucracy is increasingly costly for higher education.

## The Exception, Grove City College

Grove City College nicknamed “Freedom’s college” remains a beacon of independence in higher education. Founded in 1876 by Isaac Ketler to pursue the mission of sending “out young men and women who do not only have well- trained and efficient minds but who possess well- rounded individuals, who respond to high motives, and who follow high ideals" (Edwards 2000, 54). The college remains true to this mission and has avoided many bureaucratic pitfalls. Academically, Grove City students rank above national averages. For example, in 2021 average Grove City College student Major Field Test Scores were above 81% of national scores (Welton n.d). Moreover, students retain a critical sense through training in theology, social science, philosophy, and empirical science as part of the liberal arts curriculum. This curriculum is designed to equip students with a Christian worldview (Van Til 2015, 118). However, Grove City College has faced challenges of bureaucratization in the past that required school leaders to exert an intentional effort to resist.

### *Federal Funding*

Grove City College has not taken government aid directly for over a century. In fact, it has been hostile to federal funding. In the aftermath of WW2 when the government began to give direct funds to colleges J. Howard Pew the President of the Board of Trustees said about government subsidies “little by little this control will expand until like a blighting cancer, it will infect our whole education system” (Edwards 2000, 114). The college's commitment to independence was often inconvenient. During the 1960s President Stanley Harker had trouble fundraising the MAP North Dormitory because possible donors expected the college to pursue federal aid (Dayton 1973, 219). Thankfully, the building was completed with private funds.

Even during the Supreme Court case *Grove City College vs. Bell*, the college maintained that it had never taken a grant, loan, or any other kind of aid from the government (Edwards 2000, 199). The policy of not accepting federal funds continues to the present day. And continues to protect the college from bureaucratization. In 2021 the Biden administration required all federal contractors to comply with COVID- 19 vaccine mandates (Redden 2021). This included many universities which have contracts with the government. Yet, Grove City College did not mandate vaccines because it did not have any business with the federal government.

### *Christian Beliefs*

Unlike the rest of higher education Grove City College has remained anti- ideological. From its beginning Grove City College has been nondenominational although it leaned Reformed theologically (Edwards 2000, 20). President Stanley Harker who headed the college from 1956- 1971 said “in our search for truth, we must objectively pursue all viewpoints on our campus, living within our heritage under a Christian umbrella” (Van Til 2016, 94). Never has Grove City College been an echo- chamber. However, there was a moment when Grove City’s Christian identity was at stake. In 1957 the Middle States Commission on Higher Education revoked Grove City’s accreditation (Dayton 1973, 205). The college had little choice but to comply since large parts of the student body- veterans, paid their tuition and board with funds from the GI bill. At one-point veterans made up 51 percent of the student body (Dayton 1973, 181). While Harker made significant progress and Grove City College was re-accredited in 1960 (Dayton 1973, 21), academic and student life grew more secular. During the 1960s less emphasis was placed on the Bible in the classroom (Van Till 2016, 92) and student life revolved around sex, drugs, and alcohol (Van Till 2016, 101). After Harker retired in 1971, Charles Mackenzie was selected as Grove City College’s new president. One of his biggest

achievements was the Keystone curriculum, Grove City's 18 hours liberal arts core (Edwards 2000, 236). Today the curriculum exposes students to different perspectives in various disciplines and encourages critical thinking. Yet it does this from a Christian perspective. The Keystone curriculum and other actions by Mackenzie made the college what it is today. Grove City College still stands by its mission of being non-ideological. In 2022 after cries from students and alumni to ban supposed CRT on campus, the Board of Trustees answered, "controversial subjects can only be studied through critical examination of contending views" (Grove City College Trustees 2022). Today Grove City is a marketplace of ideas unlike the rest of higher education.

### *Taking on the Government*

One of the larger challenges Grove City College faced came in 1976 in the form of a letter from the Department of Health, Education, and Welfare (DHEW). It required the college to comply with Title IX sex anti-discrimination regulations (Edwards 2000, 196). If college refused, then all government funds to students would be cut off. At this time a quarter of Grove City students received federal aid (Edwards 2000, 198) Interestingly the government did not accuse Grove City of ever discriminating against women (Graham 1998, 414). Instead, the DHEW wanted the college's assurance to abide by regulations, even when no violation happened. Bravely Mackenzie, with the support of the Board of Trustees, refused to sign the letter. When DHEW terminated all aid to students the college sued. The result was an eight-year legal battle culminating in the Supreme Court case: *Grove City College v. Bell* in 1984. The result was a mixed victory with the court ruling that even indirect aid brought colleges under Title IX regulation, but that regulation only applied to the department of the college receiving the aid (Edwards 2000, 221). For Grove City College only the admissions office would be

subject to Title IX, the rest of the institution would be free. The decision halted several federal investigations into universities and schools across the country for Title IX violations (Graham 1998, 418).

Unfortunately, even a limited victory was temporary. In 1988 Congress passed the Civil Rights Restoration Act or 'Grove City' Bill which mandated any institution accepting indirect federal aid would subject its whole self to regulation (Graham 1998, 424). Over the next 8 years government pressure grew until 1996 when Grove City College withdrew from the federal student loan program (Edwards 2000, 225). Today the college does not accept any federal aid and consequently is not subject to government authority. Additionally, it managed to cope with the effects of accreditation. Grove City College, through tenacious loyalty to its mission has avoided the problems of bureaucratization endemic to the rest of higher education.

### **Looking Forward**

Grove City's achievements can hardly be overemphasized. However, the battle for independence is far from over. A new challenge is brewing through accreditation. Grove City College's accrediting agency, the Middle States Commission on Higher Education (MSCHE), has revised its accreditation guidelines to include Diversity, Equity, and Inclusion (DEI) principles. The newest *Standards for Accreditation and Requirements of Affiliation* of the MSCHE includes DEI as one of its "5 Guiding Principles" (Middle States Commission on Higher Education n.db). Grove City College will be required to demonstrate "evidence of alignment between mission, strategic goals, and diversity, equity, and inclusion principle" (Middle States Commission on Higher Education n.da). These guidelines will be applicable to

Grove City College during the next accreditation visit in 2027 (Grove City College 2018).

The impact of DEI may already be hitting the Grove City campus. In the 2022- 2023 edition of the Crimson student handbook under the “Civility and Respect” community standards section I states “the use of language or symbols that, in the view of the College, demean the inherent dignity of another individual” (Grove City College 2022, 10) would be a violation of college policy. No objective definition or test for “demeaning” language is given and it remains a matter of subjective opinion. Moreover, previous editions before that school year do not contain the same rule (Grove City College n.d, 12). The subjective definition of “demeaning” languages allows for otherwise inoffensive language to be punishable, representing a risk to student free speech on campus.

While Grove City College must meet the challenges of the future it should be proud of its past. It is truly an exceptional institution. As discussed, this is not Grove City’s first battle with bureaucratization. The college has a history of fighting for faith & freedom and a lineage of Austrian economists familiar with the teachings of Mises. Through a commitment to independence, strong Christian beliefs, and the fortitude to stand up to government actors, Grove City College has successfully maintained high standards, avoided any ideological takeover, and minimized administrative bloat. Colleges and universities across the country can look to Grove City College for strategies for battling the onslaught of bureaucratization in higher education today. Grove City College remains a model for maintaining critical sense.

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# **Bureaucracy and Grove City College:**

How One College Resisted the Bureaucratization of  
Higher Education

Brae F. Sadler

2/03/2024

## Abstract

*The goal of this paper is to explain the relevance of Mises's Bureaucracy in the context of Higher Education and Grove City College. First, the paper begins with a brief history of bureaucratization in higher education. Second, it applies Mises's analysis of bureaucratic management of government and privately owned enterprises to public and private colleges. Third, using Mises as a starting point the paper will lay out three key problems facing higher education: low standards for students, ideological culture, and administrative bloat. Fourth, the paper will explore Grove City College's history and how the college has avoided the problems of bureaucratization by remaining independent and true to its mission. Last, it concludes by looking at several important challenges facing Grove City College.*

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## Introduction

In the last section of his *Bureaucracy*, Ludwig von Mises laments the loss of the “critical sense” that protected people from authoritarianism, “the absence of criticism makes it possible to tell people that they will be free men in a system of all-round regimentation” (Mises 1944, 108). According to Mises, this was the fault of a government takeover of education which taught students falsehood, especially in economics (Mises 1944, 82). The prime example was the German Empire in which the universities formed an “intellectual bodyguard of the house of Hohenzollern” (Mises 1944, 83) or the German royal family.

However, Mises wrote his book in 1944 before bureaucracy dominated American universities. In 1950, students were divided evenly between public and private colleges (Edwards 2000, 130). Today public universities attract 77% of all college students in the country (NCES 2023b). America is undergoing the bureaucratization that Mises warned of. Yet, this is not inevitable, some institutions have avoided bureaucratization. Foremost among them is Grove City College since its founding Grove City has struggled to maintain its independence. Due to its dedication to the principles of faith and freedom, the college stands as a bastion of liberal arts education. Contrasting Grove City College with general trends can provide a roadmap for others to resist bureaucratization.

## A Brief History

One of the most common errors in economics is the idea of a ‘third way’ between capitalism and socialism. Mises corrects this, “economic interventionism is a self-defeating policy... They [economic interventions] bring about a state of affairs, which... is more

undesirable than the previous state” (Mises 1944, 119). His critique is certainly true in higher education. The American university system has undergone a transformation from a free market system to a highly bureaucratized one where critical sense is lost.

When Mises wrote *Bureaucracy* in the first half of the 20<sup>th</sup> century American education was largely private. In 1910 the three greatest universities: Harvard, Columbia, and Chicago were all private (Vedder 2019, 96). However, Congress passed the Servicemen’s Readjustment Act otherwise known as the GI Bill in 1944, which paid for the college of all veterans (Martorell 2013, 3). Mostly funds came with no strings attached but aid could only be spent at accredited colleges (Edwards 2000, 109). By 1946 57% of American full-time college students were veterans (Dayton 1973, 181). For the first time colleges were receiving massive government subsidies.

Still, by 1950 American higher education was decentralized. The impact of the GI Bill faded as fewer men entered the military after the Korean War (Edwards 2000, 116). However, government investment continued with the National Defense Education Act (NDEA) in 1958 after the Soviet Union launched the Sputnik satellite and tensions in the Cold War escalated. The NDEA established the grant and the student loan system we have today (Vedder 2019, 115). Fortunately, some leaders were worried that the growth of the federal government into education would compromise the independence of colleges. As a result, Congress inserted Section 102 into the NDEA which prevented government regulation of schools that took funding (Mackenzie 1980, 120). However, schools still needed to be accredited by agencies that imposed government standards (Eaton 2010, 21).

Unfortunately, the government soon started to directly regulate the affairs of colleges. The Education Amendments Act of 1972 required colleges that received federal funds to follow anti-discrimination regulations (Mackenzie 1980, 120). Government interference started soon after, for example the University of California Berkeley was forced to create diversity hiring goals, and affirmative action soon followed (Edwards 2000, 202). Previously free, government funds now came with government regulation.

### **Bureaucracy in Public and Private Colleges**

Today's higher education system is a product of the bureaucratization that began with the GI Bill in 1944. Mises describes bureaucratic management as "management bound to comply with detailed rules and regulations fixed by a higher body" (Mises 1945, 45). Under this definition both private and public institutions of higher learning are bureaucracies.

Public colleges and universities are operated as publicly- owned firms that Mises would classify as bureaucratic. They provide goods and services but do not operate off of a profit motive since they are subsidized by the government (Mises 1946, 59). Considering approximately 38% of all public university funding comes directly from the federal government (Pew Research Center 2019) it can be said public universities depend on that funding. Additionally, public universities are governed through a bureaucratic process. University governing boards are either chosen by state legislatures directly or subject to Boards of Governors that direct public schools. For example, in the state of Florida all public colleges and universities are subject to the state's Board of Governors (Office of Policy Analysis and Government 2019). States may have slightly different systems, but the governance is always bureaucratic.



Private colleges and universities, on the other hand, are bureaucratized through indirect ways. Mises explained a similar phenomenon in continental Europe when private enterprises depended on the government to operate (Mises 1944, 71). Indirect ways include regulation attached to funding and accreditation. For example, in 1987 Congress passed the Civil Rights Restoration Act which mandated that any institution taking federal funding must comply with Civil Rights regulation (Edwards 2000, 223). Considering 9% (NCES 2023a) of all private school funding comes directly from the government and even more through indirect aid to students, most private schools must abide by government regulation. Such regulations have spurred a class of administrators responsible for compliance, contributing to administrative bloat (Vedder 2019, 193). Another way colleges are bureaucratized is through accreditation. To be eligible for federal funds a school must be accredited through an accreditation agency (Vedder 2019, 255). In turn these agencies are approved by the Department of Education (Hall 2012, 236). The various accreditation agencies need to maintain standards amongst member colleges set by the Department of Education. Institutions that lose accreditation are likely to go bankrupt.

### **Problems of Bureaucratization**

Once a particular part of the economy is bureaucratized, then it becomes impossible for it to operate off the profit and loss system (Mises 1947, 59). Thus, it becomes inefficient and poorly serves consumers. Higher education is no different. The bureaucratization process results in a lowering of standards, an ideological culture, and administrative bloat.

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Bureaucratization causes universities to ill-prepare students for life after college. Surprisingly more students go to college than jobs that require college degrees. Thus, in the early 2010s, there were 41.7 million college graduates while only 28.6 million jobs required degrees (Vedder 2019, 72). College is not solely about vocational training, it should equip students with necessary skills such as critical thinking, work- ethic, and teamwork (Caplan 2018, 18). These foundational skills are transferable between the classroom and the workplace. However, schools are failing to teach students these skills. Curiously while students in the early 1960s on average had below a 3.0 GPA (Vedder 2019, 72) and studied 40 hours a week (Vedder 2019, 73); today the median college GPA is 3.28 (Cecila 2023) while students on average only studied 17 hours a week (Pierre 2014). College students are working less for degrees than in the past. Thus, students do not learn the skills they so desperately need in the workforce. The blame rests upon bureaucracy. Government funding allowed a surge of new students to enter college. This meant more revenues for universities. Yet federal aid only came if students stayed in college. Therefore, colleges have an incentive to lower standards to maintain enrollment. Unfortunately, this meant an inflation in student grades and a lowering of quality in higher education.

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Grove City College nicknamed “Freedom’s college” remains a beacon of independence in higher education. Founded in 1876 by Isaac Ketler to pursue the mission of sending “out young men and women who do not only have well- trained and efficient minds but who possess well- rounded individuals, who respond to high motives, and who follow high ideals" (Edwards 2000, 54). The college remains true to this mission and has avoided many bureaucratic pitfalls. Academically, Grove City students rank above national averages. For example, in 2021 average Grove City College student Major Field Test Scores were above 81% of national scores (Welton n.d). Moreover, students retain a critical sense through training in theology, social science, philosophy, and empirical science as part of the liberal arts curriculum. This curriculum is designed to equip students with a Christian worldview (Van Til 2015, 118). However, Grove City College has faced challenges of bureaucratization in the past that required school leaders to exert an intentional effort to resist.

### *Federal Funding*

Grove City College has not taken government aid directly for over a century. In fact, it has been hostile to federal funding. In the aftermath of WW2 when the government began to give direct funds to colleges J. Howard Pew the President of the Board of Trustees said about government subsidies “little by little this control will expand until like a blighting cancer, it will infect our whole education system” (Edwards 2000, 114). The college's commitment to independence was often inconvenient. During the 1960s President Stanley Harker had trouble fundraising the MAP North Dormitory because possible donors expected the college to pursue federal aid (Dayton 1973, 219). Thankfully, the building was completed with private funds.

Even during the Supreme Court case *Grove City College vs. Bell*, the college maintained that it had never taken a grant, loan, or any other kind of aid from the government (Edwards 2000, 199). The policy of not accepting federal funds continues to the present day. And continues to protect the college from bureaucratization. In 2021 the Biden administration required all federal contractors to comply with COVID- 19 vaccine mandates (Redden 2021). This included many universities which have contracts with the government. Yet, Grove City College did not mandate vaccines because it did not have any business with the federal government.

### *Christian Beliefs*

Unlike the rest of higher education Grove City College has remained anti- ideological. From its beginning Grove City College has been nondenominational although it leaned Reformed theologically (Edwards 2000, 20). President Stanley Harker who headed the college from 1956- 1971 said “in our search for truth, we must objectively pursue all viewpoints on our campus, living within our heritage under a Christian umbrella” (Van Til 2016, 94). Never has Grove City College been an echo- chamber. However, there was a moment when Grove City’s Christian identity was at stake. In 1957 the Middle States Commission on Higher Education revoked Grove City’s accreditation (Dayton 1973, 205). The college had little choice but to comply since large parts of the student body- veterans, paid their tuition and board with funds from the GI bill. At one-point veterans made up 51 percent of the student body (Dayton 1973, 181). While Harker made significant progress and Grove City College was re-accredited in 1960 (Dayton 1973, 21), academic and student life grew more secular. During the 1960s less emphasis was placed on the Bible in the classroom (Van Till 2016, 92) and student life revolved around sex, drugs, and alcohol (Van Till 2016, 101). After Harker retired in 1971, Charles Mackenzie was selected as Grove City College’s new president. One of his biggest

achievements was the Keystone curriculum, Grove City's 18 hours liberal arts core (Edwards 2000, 236). Today the curriculum exposes students to different perspectives in various disciplines and encourages critical thinking. Yet it does this from a Christian perspective. The Keystone curriculum and other actions by Mackenzie made the college what it is today. Grove City College still stands by its mission of being non-ideological. In 2022 after cries from students and alumni to ban supposed CRT on campus, the Board of Trustees answered, "controversial subjects can only be studied through critical examination of contending views" (Grove City College Trustees 2022). Today Grove City is a marketplace of ideas unlike the rest of higher education.

### *Taking on the Government*

One of the larger challenges Grove City College faced came in 1976 in the form of a letter from the Department of Health, Education, and Welfare (DHEW). It required the college to comply with Title IX sex anti-discrimination regulations (Edwards 2000, 196). If college refused, then all government funds to students would be cut off. At this time a quarter of Grove City students received federal aid (Edwards 2000, 198) Interestingly the government did not accuse Grove City of ever discriminating against women (Graham 1998, 414). Instead, the DHEW wanted the college's assurance to abide by regulations, even when no violation happened. Bravely Mackenzie, with the support of the Board of Trustees, refused to sign the letter. When DHEW terminated all aid to students the college sued. The result was an eight-year legal battle culminating in the Supreme Court case: *Grove City College v. Bell* in 1984. The result was a mixed victory with the court ruling that even indirect aid brought colleges under Title IX regulation, but that regulation only applied to the department of the college receiving the aid (Edwards 2000, 221). For Grove City College only the admissions office would be

subject to Title IX, the rest of the institution would be free. The decision halted several federal investigations into universities and schools across the country for Title IX violations (Graham 1998, 418).

Unfortunately, even a limited victory was temporary. In 1988 Congress passed the Civil Rights Restoration Act or 'Grove City' Bill which mandated any institution accepting indirect federal aid would subject its whole self to regulation (Graham 1998, 424). Over the next 8 years government pressure grew until 1996 when Grove City College withdrew from the federal student loan program (Edwards 2000, 225). Today the college does not accept any federal aid and consequently is not subject to government authority. Additionally, it managed to cope with the effects of accreditation. Grove City College, through tenacious loyalty to its mission has avoided the problems of bureaucratization endemic to the rest of higher education.

### **Looking Forward**

Grove City's achievements can hardly be overemphasized. However, the battle for independence is far from over. A new challenge is brewing through accreditation. Grove City College's accrediting agency, the Middle States Commission on Higher Education (MSCHE), has revised its accreditation guidelines to include Diversity, Equity, and Inclusion (DEI) principles. The newest *Standards for Accreditation and Requirements of Affiliation* of the MSCHE includes DEI as one of its "5 Guiding Principles" (Middle States Commission on Higher Education n.db). Grove City College will be required to demonstrate "evidence of alignment between mission, strategic goals, and diversity, equity, and inclusion principle" (Middle States Commission on Higher Education n.da). These guidelines will be applicable to

Grove City College during the next accreditation visit in 2027 (Grove City College 2018).

The impact of DEI may already be hitting the Grove City campus. In the 2022- 2023 edition of the Crimson student handbook under the “Civility and Respect” community standards section I states “the use of language or symbols that, in the view of the College, demean the inherent dignity of another individual” (Grove City College 2022, 10) would be a violation of college policy. No objective definition or test for “demeaning” language is given and it remains a matter of subjective opinion. Moreover, previous editions before that school year do not contain the same rule (Grove City College n.d, 12). The subjective definition of “demeaning” languages allows for otherwise inoffensive language to be punishable, representing a risk to student free speech on campus.

While Grove City College must meet the challenges of the future it should be proud of its past. It is truly an exceptional institution. As discussed, this is not Grove City’s first battle with bureaucratization. The college has a history of fighting for faith & freedom and a lineage of Austrian economists familiar with the teachings of Mises. Through a commitment to independence, strong Christian beliefs, and the fortitude to stand up to government actors, Grove City College has successfully maintained high standards, avoided any ideological takeover, and minimized administrative bloat. Colleges and universities across the country can look to Grove City College for strategies for battling the onslaught of bureaucratization in higher education today. Grove City College remains a model for maintaining critical sense.



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