

# SPECIAL WHITE CENTER PROJECT

## EXAMINING THE IMPACT OF REAGAN BUDGET REDUCTIONS

### FOREWARD

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When President Ronald Reagan took office on January 20, 1981, he made known in very explicit terms his determination to reverse decades of what he and his supporters regarded as misrule of the United States government and the United States economy. Repeatedly throughout the Presidential campaign he had leveled the charge that government, especially at the federal level, had become bloated with excessive revenues and expenditures, and that it had crippled the economy with oppressive regulations and taxation, and he proposed sweeping changes.

In his inaugural address, President Reagan said, "In this present crisis, government is not the solution to our problem; government is the problem," and he declared his "intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States or to the people."

"In the days ahead," he added, "I will propose removing the roadblocks that have slowed our economy and reduced productivity. Steps will be taken aimed at restoring the balance between the various levels of government . . . . It is time to reawaken this industrial giant, to get government back within its means, and to lighten our punitive tax burden. And these will be our first priorities, and on these principles there will be no compromise."

A month later, the President sent his budget for Fiscal Year 1982 to the Congress, and in the accompanying message he said, "The budget reform plan announced on February 18 includes 83 major cuts resulting in \$34.8 billion outlay savings for 1982, with greater future savings.

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With this message, over 200 additional reductions are proposed. And additional \$13.8 billion in savings are now planned . . . . In terms of appropriations and other budget authority that will affect future spending, we are proposing elimination of \$67 billion in 1982 and over \$475 billion in the period 1981 to 1986.”

By any standards, such proposals represented a dramatic change in the course of the federal government. Immediately — even before Congress and its committees had taken under consideration all of the proposals — a nationwide controversy erupted concerning the real effect which such reductions in federal spending would have on our national life. As a matter of fact, the Congress did not give final approval to the 1982 budget until just before the commencement of the new fiscal year, October 1, 1981. While speculation was rife about the anticipated results of such sweeping changes, there was precious little substantive information to consider. The White Scholars of the Notre Dame Law School, who were selected in February, 1982, for the 1982-83 academic year, have examined carefully and systematically what *actually happened* when these federal budget reductions became reality, and have focused their research on a number of governmental programs in the State of Indiana and in South Bend, which had federal, state, and local administrative and budgetary involvement.

The White Center for Law and Government was established in 1976 through the generosity of Thomas J. and Alberta White, of St. Louis, Missouri. The White Center affords selected third-year law students, who have demonstrated a sustained commitment to social justice and to the principles of our Judeo-Christian heritage as well as a sincere interest in public policy, an opportunity to become actively involved in the public policy formulation process. The Center's program includes:

- research projects, selected and conducted by the White Scholars on timely public issues;
- a guest lecture series through which distinguished figures in the fields of government service, politics, journalism, and public interest law are invited to the campus;
- summer internships for Scholars in various government agencies and offices;
- a weekly public law seminar course; and
- the publication of the *Journal of Legislation*.

Each year a small number of second year law students who have distinguished themselves not only by superior academic achievement, but by demonstrating a concern for public policy matters and by an interest in devoting some substantial portion of their professional careers to public service, are chosen as White Scholars. During the Spring Term of their second year, shortly after their selection, the Scholars begin the planning of research projects in the field of public policy. During the Summer they serve study-internships in Washing-

ton, D.C., or other governmental centers, working with the policy makers on actual problems, and then return to the campus in the Fall to continue the exploration of the ramifications of their projects, and finally to write fully developed reports of their work and their conclusions.

The discussion of what their research has uncovered, and what they have learned about the process of policy formulation, continues throughout the year in a seminar conducted by the Director of the Center. This past year, for the first time, all of the White Scholar projects were related to a single general theme: the impact of the Reagan Revolution.

Their research project involved examining first hand the impact upon government services which resulted from the budget reductions of the Reagan Administration, as modified and approved by the Congress, and attempting to determine as well whether or not state or local government sought in any way to compensate for the withdrawal of federal funding. Their effort was to determine the *real*, as opposed to the *theoretical*, results of this historic alteration in the role of the national government in such fields as transportation, services to the elderly and to children, energy, community development, housing and legal services for the indigent. In no sense was this research intended to be a comprehensive and exhaustive analysis of all the changes that have taken place in our society during the past two years, but instead represents an effort to look selectively at a number of typical program areas in an effort to assess certain specific effects, and to attempt to draw some general conclusions about the ultimate effect upon our national life of the Reagan Revolution. In that respect, this study may well be unique, and may very well contribute to a better understanding of the way our government works.