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**SUMMARY OF BILL AND FACT SHEET INCLUDED

**STATEMENT OF SENATOR EDWARD M. KENNEDY ON HIGHER EDUCATION
AMENDMENTS OF 2007**

(As Prepared for Delivery)

I am pleased to join my colleague, Senator Enzi, and all the Members of our Committee, in putting forth legislation to renew the Higher Education Act of 1965.

Leading up to the creation of the Higher Education Act, my brother, President Kennedy, said this: "Our progress as a nation can be no swifter than our progress in education. Our requirements for world leadership, our hopes for economic growth, and the demands of citizenship itself in an era such as this all require the maximum development of every young American's capacity. The human mind is our fundamental resource."

Those words rang true then and they ring true today, as our country is once again in a time of war and faces great economic challenge. Equal access to higher education touches every aspect of American life. In order to compete effectively in the global economy and ensure a well-qualified armed forces, we need to equip all of our citizens with a sound education from pre-kindergarten to college.

Each year, 400,000 qualified students don't go to a 4-year college, simply because they cannot afford to do so. Equally devastating is the fact that only 47% of low-income 8th graders will be academically prepared for college at the time of high school graduation in 2004, compared to 86% of their higher-income peers.

We are a better nation than that – we are a nation that believes in promise and opportunity for all of our citizens.

This bill expired in 2003 and was last updated in 1998. We can't afford to wait any longer to reaffirm our commitment to higher education in this country and create a framework so that our students are prepared to meet the challenges of this new century.

I am pleased that we are able to swiftly move to this bill after passage of the Higher Education Access Act of 2007 last Thursday. Together they make up our comprehensive higher education package.

I thank my colleagues and particularly the work of Senator Enzi for ensuring that these two parts are moving in tandem.

There is no doubt that the student aid in the Access Act is the single most important thing we can do to increase access for college-ready low-income students. But it is also our responsibility to ensure that the multi-billion dollar investment of taxpayer dollars we've made to student aid is delivered in the most equitable, effective, and simple way possible.

This bill will take steps to ensure the greatest return on this investment by: addressing rising college costs; reforming the student loan system so it works for students, not banks; simplifying the federal aid application process; strengthening college preparation programs like GEAR-UP and TRIO; and promoting high-quality and effective teacher preparation programs.

As we provide more aid to students, this bill recognizes that colleges need to do their part to

keep college costs down. The cost of college has more than tripled over the last twenty years. Today, average tuition, fees, and room and board at public colleges are almost \$13,000 a year — and they're more than \$30,000 at private colleges.

The Higher Education Amendments of 2007 will hold colleges accountable for skyrocketing college costs by creating a nationwide watch list of colleges whose costs are increasing at a rate greater than their peers, and by encouraging the Department of Education and colleges to publish more consumer-friendly information about college costs and programs.

To ensure that this aid is directed to students -- its intended beneficiaries -- we must keep them informed about their choices and hold colleges and lenders accountable for getting students the best loan deal possible.

As investigations by New York Attorney General Cuomo, other states, and our Committee have found, many lenders are entering into sweetheart deals with colleges. Some lenders offer gifts to college and university employees in order to secure their students' loan business.

We've documented how lenders who participate in the federal student loan program offer "educational conferences" at luxury hotels, and offer free entertainment and free tickets to sporting events to college officials in order to entice those officials to recommend the lenders to their students. Our legislation makes these practices illegal, and protects students by ensuring that when a college recommends a lender, it's based on the best interest of students and nothing else.

To ensure students have access to the federal financial aid they are eligible for, we must simplify the financial aid process for all students by reforming the Free Application for Federal Student Aid. As you can see here, the form is currently 10 pages long and includes over 100 questions. This acts as a barrier to low- and middle-income students applying for the aid they need for college. Thanks to the leadership of Senator Reed and Senator Enzi, this bill will dramatically simplify the FAFSA and examine how we can streamline the federal financial aid process even more in the future.

Our bill will make the financial aid application process more student-friendly by immediately creating a new 2-page EZ-FAFSA for low-income students and phasing out the current long paper FAFSA within 5 years. It will also create a pilot program that lets students know that they have access to federal aid for college earlier, by allowing students to receive an aid determination or estimate in their junior year of high school.

Ensuring access to adequate grant aid is one component of solving the college access crisis, but we must also ensure that more students are graduating from high school ready to succeed in college. In 2001, colleges required one-third of all freshmen to take remedial courses in reading, writing, or math.

Because so many high school students are not learning the basic skills to succeed in college or work, the nation loses more than \$3.7 billion a year. This figure includes \$1.4 billion to provide remedial education to students who have recently completed high school. In addition, this figure factors in the almost \$2.3 billion that the economy loses because remedial reading students are more likely to drop out of college without a degree, thereby reducing their earning potential.

This bill includes provisions championed by Senator Brown to maintain the strength of the TRIO and GEAR UP programs, which provide underprivileged students with the support they need to go to college and graduate from college.

The Higher Education Act of 1965 established The National Teachers Corps, a federally funded Great Society program to develop our nation's teaching force. This bill continues that tradition by promoting high-quality and effective preparation programs for new and prospective teachers and recruiting and retaining high-quality teachers in high-need schools.

Finally, this bill will create a new student safety grant program to help colleges and universities improve their campus safety and emergency response systems. As the nightmare at Virginia Tech made us all too aware, tragedy can strike anywhere, including on college campuses.

This legislation received unanimous bipartisan support in Committee and I hope to see that same support demonstrated today. Our students cannot afford any alternative.

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Summary of S. 1642: The Higher Education Amendments Act of 2007

The Higher Education Amendments Act of 2007 reauthorizes the Higher Education Act, strengthening many of its provisions and including new provisions to address unethical practices in the student loan system and rising college costs.

Addressing Rising College Costs

The cost of college has tripled in the last twenty years, and many students and families are struggling to keep up. The Higher Education Amendments Act addresses this issue by:

- Holding colleges accountable for rising costs by publicizing colleges whose costs increases outstrip those of their peers; and
- Ensuring students and parents have access to objective data about the cost of college.

Reforming the Student Loan System so it Works for Students, Not Lenders

Recent investigations have shown that lenders and even some financial aid officers have been exploiting the student loan system, to the detriment of the students they are meant to be helping. The Higher Education Amendments will direct sunshine on this industry by:

- Ensuring that colleges are recommending lenders based on the best interest of students, not the self-interest of financial aid officers;
- Prohibiting payments, gifts, and other inducements from lenders to colleges and financial aid administrators that create conflicts of interest; and
- Requiring colleges to establish and follow a code of conduct with respect to student loans.

Simplifying the Financial Aid Process for all Students by Reforming the FAFSA

The Free Application for Federal Financial Aid (FAFSA) is currently seven pages long, and acts as a barrier to low- and middle-income students applying for the aid they need for college. The Higher Education Amendments will make the financial aid application process more student-friendly by:

- Immediately creating a new 2-page EZ-FAFSA for low-income students, and phasing out the current 7-page FAFSA for all applicants within 5 years; and
- Facilitating student planning by creating a pilot program that allows students to receive an aid determination or estimate in their junior year of high school.

Strengthening GEAR-UP and TRIO to Improve Preparation for Higher Education

Many students, especially low-income and first-generation college students, struggle to prepare adequately for college. GEAR UP and TRIO are proven to help students prepare for, access, and succeed in higher education. The Higher Education Amendments:

- Enable GEAR UP programs to offer early intervention and other activities, including extended school day programs, encouraging student enrollment in challenging secondary coursework, professional development, and dropout recovery;
- Strengthen the required activities of Upward Bound programs and expand Student Support Services to include programs to improve students' financial and economic literacy; and
- Require the Secretary to measure the quality and effectiveness of the Talent Search, Upward Bound, Student Support Services, Postbaccalaureate Achievement, and Educational Opportunity Centers programs.

Promoting Innovative Models in Teacher Preparation Programs

We are facing a shortage of high-quality, well-prepared teachers, and it is often the neediest students who suffer the most. The Higher Education Amendments will improve teacher quality, training and retention by:

- Promoting high-quality and effective teacher preparation programs for new and prospective teachers, including effective preparation, induction, and residency programs; and
- Helping high need schools, by focusing on recruiting and retaining high-quality teachers in high-need schools.

THE HELP COMMITTEE HIGHER EDUCATION PACKAGE:

A NEW COMMITMENT TO MASSACHUSETTS STUDENTS

The Higher Education Access Act of 2007 and the Higher Education Amendments of 2007 will increase access to higher education and ensure that scarce federal dollars are going where they are most needed – to students. The Higher Education Amendments will also improve our K-12 schools by promoting effective teacher preparation programs.

Increasing Student Aid and Addressing Rising College Costs

The cost of college has tripled in the past 20 years, but federal financial aid has not kept up.

The HELP Committee package will make college more affordable. The package:

- ❖ **Increases access for low-income students** by raising the maximum Pell Grant to \$5,100 next year and to \$5,400 by 2011 and simplifying the financial aid process for low-income students by increasing the income level at which a student is automatically eligible for the maximum Pell.
 - After accounting for all grants and loans, 88,000 students in Massachusetts had an average unmet need of \$4,500 in 2005.
 - Under this package, Massachusetts will receive \$36.9 million in new grant aid in 2008-2009. In all, Massachusetts will receive over \$317 million in new aid over five years.
 - The average Pell Grant award to Massachusetts students would increase by \$440 in 2008 to \$2,950.

- ❖ **Helps borrowers manage student loan debt** by capping monthly loan payments at 15 percent of discretionary income.
 - 62 percent of 4-year college graduates in Massachusetts graduated with student loan debt in 2004-05, and the average amount was \$18,169.
 - Under this plan, a starting public school teacher in Massachusetts earning \$35,421 with average student loan debt of \$18,169, would see their monthly loan payment decrease by \$61 – an annual savings of \$732.
 - A social worker with one child in Massachusetts, earning \$47,830 and with average student loan debt of \$18,169, would have his or her monthly payments reduced by \$24, from \$209 to \$185 – a 12 percent reduction.

- ❖ **Encourages public service** by forgiving the student loans of borrowers who work for 10 years in public service careers, such as in law enforcement, emergency management, public health and social work, public education, public interest legal service, and public services for individuals with disabilities and the elderly.
 - A public school teacher in Massachusetts would have \$10,365 forgiven under this program.

- ❖ **Protects working students** and ensures they are not penalized by increasing the amount of student income that is sheltered from the financial aid process.

- ❖ **Holds colleges accountable for rising costs** by publicizing colleges whose cost increases outstrip those of their peers, and ensuring students and parents have access to objective data about the cost of college.
 - There are over 140 postsecondary institutions in Massachusetts, and the Commonwealth is the only state in the nation that educates more students in private colleges than in public colleges.
 - From 1996 to 2006, tuition and fees increased by 39 percent at UMass, by 29 percent at the State Colleges and by 9 percent at the Commonwealth's community colleges (after accounting for inflation).
 - Similar trends are seen across the nation, especially in years when state appropriations to public colleges and universities have stagnated.

Simplifying the Financial Aid Process for all Students by Reforming the FAFSA

The Free Application for Federal Financial Aid (FAFSA) is currently seven pages long, and acts as a barrier to low- and middle-income students applying for the aid they need for college.

The Higher Education Amendments will make the financial aid application process more student-friendly. The bill:

- ❖ **Simplifies the FAFSA**, by immediately creating a new 2-page EZ-FAFSA for low-income students, and phasing out the current 7-page FAFSA for all applicants within 5 years.
 - More than 430,00 students are enrolled in private and public colleges in Massachusetts, and many will fill out a FAFSA each year.
 - After all grants and loans are taken into account, approximately 88,000 students in Massachusetts had an average unmet need of \$4,500 in 2005 – and even more students may never apply for aid, believing they can't afford the cost of college.

❖ **Facilitates student planning** by creating a pilot program that allows students to receive an aid determination or estimate in their junior year of high school.

Promoting Innovative Models in Teacher Preparation Programs

The nation faces a shortage of high-quality, well-prepared teachers, and it is often the neediest students who suffer the most. The Higher Education Amendments will improve teacher quality, training and retention. The bill:

❖ **Promotes high-quality and effective teacher preparation programs** for new and prospective teachers, including effective preparation, induction, and residency programs.

- Over 90 percent of mentors and beginning teachers who participated in induction programs in Massachusetts in 2002 reported that the program was highly important.
- Two thirds of beginning teachers and 84 percent of mentors reported in the same survey that these programs enabled the beginning teacher to perform at higher professional levels.

❖ **Helps high-need schools**, by focusing on recruiting and retaining high-quality teachers in these schools.

- This past school year, 95 percent of teachers in core academic subjects were highly qualified and 95 percent of teachers in Massachusetts public schools taught a subject in which they were licensed.
- However, in high-poverty schools, just 90 percent of teachers in core academic subjects were highly qualified and 92 percent of teachers were licensed in the subject they taught.

Reforming the Student Loan System so it Works for Students, Not Lenders

Recent investigations have shown that lenders and even some financial aid officers have been exploiting the student loan system, to the detriment of the students they are meant to be helping. The package will ensure the system works for students by:

❖ **Protecting students** by ensuring colleges recommend lenders to their students based on the best interest of students, not the self-interest of financial aid officers;

❖ **Cleaning up the industry** by prohibiting payments from lenders to schools/school officials that create conflicts of interest;

❖ **Saving taxpayer dollars** by using market mechanisms to cut outrageous subsidies to lenders, and redirecting these savings to students through the student aid increases above.