

****Legislative summary included****
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KENNEDY STATEMENT ON MARK UP OF HIGHER EDUCATION AMENDMENTS ACT

First, I commend our Chairman for his extraordinary work on this bill. Many said it couldn't be done. But our Chairman's motto is: Those who say it can't be done should get out of the way of those who are doing it. The bill is a worthwhile compromise between many divergent positions, and I commend him and the staff on both sides of the aisle for getting us to this point.

It's difficult for any of us to focus on anything but the disaster that our fellow Americans are struggling with in the Gulf States. Our committee will do all we can to get continuing relief to these citizens as they rebuild their lives and communities. I know that Senator Sessions is dealing with this tragedy in his own state and he has seen the devastation first-hand. While our hearts and prayers are with those who have lost so much during this tragic time, the committee is right to proceed with this important education bill.

In today's global economy, a college degree is more valuable than ever. Students and workers must have the skills they need to succeed. When I graduated from high school, good jobs were available to high school graduates, but that's not the case today. Most new jobs require some post-secondary education. Now and in the future, more and more jobs – particularly jobs that can reasonably support a family – will require men and women to have a college degree or certificate, and the best jobs will often require advanced degrees.

Higher education is not only important to an individual's economic livelihood. It is also important to America as a whole. To remain a leader in technology in this new global economy of the 21st century, we depend heavily on an educated and highly skilled workforce. Yet evidence suggests we are lagging behind other countries of the world. In the past decade, college access in America actually went down, while it was going up in 16 other advanced nations, according to the Organization for Economic Cooperation and Development.

In the highly skilled fields of math, science, engineering, and technology, the U.S. is showing measurable declines in innovation.

Countries throughout the world are out-distancing us in patents, scientific articles, and scientists and engineers. By 2010, more than 90 percent of all scientists and engineers in the world will be living in Asia.

America needs at least to keep pace with – and preferably stay ahead in – the global march of progress in technology. When we allow other countries to do a better job of educating their students – particularly in the areas of math and science – we risk not only our competitive edge, but also our national security. America, more than ever, needs students who will obtain college

degrees.

But today, too many families are struggling to get their children the education they need.

They're struggling to pay for college, yet they find the doors of college often barred by the dollar sign. Public tuition is up 35 percent over the last four years.

Each year, according to the Congressional Advisory Committee on Student Financial Assistance, 400,000 students ready for college will not be able to attend a 4-year college, because they can't afford it. New data from the Business-Higher Education Forum shows that the poorest students face an average unmet financial need of nearly \$6,000.

Many who do find a way to go to college are borrowing more heavily than ever. In 1990, only 16 percent of students took out a college loan. Today, it's 52 percent. Thirty years ago, the typical student aid package was 60 percent grants and 40 percent loans. Today, it's the reverse – 40 percent grants and 60 percent loans. The average undergraduate now has \$17,000 in college debt.

Families across the country are dedicating larger and larger portions of their income to send their children to college. In Massachusetts, after taking the average financial aid package into consideration, a family making the average salary must contribute 31% of its income to cover the costs of sending one child to college for just one year. In some states, the percentage is even higher.

Congress can do more to ease the squeeze, and this bill is an important step in the right direction.

It provides \$5.5 billion over the next 5 years for additional grant aid to the students who need it the most. One billion dollars of those funds are dedicated to encouraging low-income young people to study math, science, technology and engineering. It also expands aid through the current Pell program by allowing students to study year-round.

It improves the existing student loan programs by making important changes to create real competition between the various programs and keep the cost of loans affordable.

It also strengthens support for graduate studies by adding a new Patsy Mink Fellowship Program to increase the participation of women and minorities on college faculties. It expands grants to areas of national shortage, including in nursing faculty. It increases the loan limits for graduate students, and makes them eligible for PLUS loans so that they can be less dependent on private loans.

It expands the simplified needs test – so that more students with family incomes below \$20,000 will receive their financial aid package in time to make good decisions about attending college.

It also requires the Secretary to develop a simplified financial aid application and make it easier for low-income students to apply for aid.

It strengthens programs to prepare students to go to college and stay in college, such as GEAR UP and TRIO. Funding for the federal matching program for need-based student aid will continue as well. We extend and improve minority programs, such as the Hispanic-Serving Institution Program, the Tribal College Program and the Historically Black Colleges and Universities Program, and a new program is added to support colleges serving large numbers of Native American students.

As a nation, we have made progress in getting qualified young people to college, but we still have much to do to keep them enrolled and earn a degree. The bill addresses this retention issue by including programs to help students succeed in college.

We also continue our focus on teacher preparation by strengthening partnerships with the elementary and secondary schools that hire the teachers, and by giving priority to reducing the teacher shortage in subjects such as special education and math and science.

As the bill recognizes, to help the nation compete in today's global economy, we must strengthen the teaching of math and science in schools and colleges. It's shameful that America now ranks only 29th in the industrial world in math education, and that we've fallen from 3rd to 15th in producing scientists and engineers.

The bill offers strong incentives for math and science graduates to teach for at least 5 years in schools that need them most. It also contains incentives for college students to pursue careers in science, technology and engineering, and it authorizes a new scholarship program for that purpose.

It's urgent for a larger proportion of our population to participate in college education. We looked at ways to expand access to working adults through modular and compressed coursework, and to enable students with disabilities to benefit by taking courses rather than taking standardized tests.

Finally, there are several issues I hope we can continue to work on. I'm disappointed that we have not completely eliminated the 9.5% loan subsidies. We succeeded in extending the Taxpayer-Teacher Protection Act, which ends much of the abuse. But it doesn't close the loophole completely. Senator Murray and I have proposed to close the loophole completely by ending the current practice that enables lenders to recycle old loans and offer new loans that still receive the 9.5% subsidy.

Our proposal would have gone further, by adopting a pre-payment incentive to help rein in the existing 9.5% loans and redirect these savings to increased student aid.

We also need to make the admissions process fairer for disadvantaged students, especially at

elite institutions. We should increase access to test prep courses for low income students, and require the disaggregated reporting of admissions and graduation information, including legacy and early decision admissions. We took a positive step in the bill by requiring reports of admissions and graduation rates by race, gender, and low-income status.

We help disadvantaged students by increasing need-based student aid and expanding support programs to prepare for college and succeed in college. But there is more to be done so that all students – regardless of their background – have equal educational opportunities for college.

I look forward to working with the committee on ways to address all these issues as the bill moves to the floor. From our earliest days as a nation, education has been the engine of the American dream, and we can't let it stall now. Our goal is to give all students and their parents the support they need to benefit from the best education possible, and keep our country strong in the years ahead.

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Highlights of the Higher Education Amendments Act of 2005

On Thursday, September 8, the Senate HELP Committee will mark up a bipartisan bill that makes significant progress in helping students afford and gain access to postsecondary education. Below are some of the highlights of the bill that Senator Kennedy worked to have included in the legislation.

Increased grant aid for needy students: A new mandatory spending program, currently titled the Provisional Grant Aid Program (ProGAP), would increase need-based grants by \$4.5 billion in mandatory funding.

New Scholarships for Math and Science Majors: The bill creates a \$1 billion scholarship program for students majoring in math, science or high-need foreign languages. These scholarships go to the neediest students.

Loan Forgiveness for Public Service Under the Income Contingent Loan Repayment Program: The bill provides loan forgiveness for individuals working in public sector occupations for 10 years. Currently, loan forgiveness is only available to individuals who have worked in the public sector for 20 years.

Lowering the “work penalty” for students: The bill increases the amount a student could make in income without being penalized through reductions in eligibility for need-based aid.

Decreased Unnecessary Bank Subsidies in Student Loan Program: The proposal eliminates “windfall profits” to lenders by requiring the lender to rebate excess interest payments when the

student rate is higher than the lender rate.

Better Interest Rates for Students: The bill maintains current borrower interest rates – scheduled to go to a 6.8% fixed rate for non-consolidated loans – and retains current law fixed rate on consolidation.

Continues the limitation on growth of 9.5% loans: The bill stops the growth in volume of a special class of loans that receive a 9.5% rate of return.

Programs to Help Students Apply to, Attend, Afford, and Complete Higher Education:

The bill creates several new programs and improves many existing programs that focus on easing the financial aid application process and supporting students as they apply to and later enroll in college. The bill includes:

- Support for retention efforts, so more disadvantaged students making it to college actually stay and graduate;
- New reporting requirements related to the completion rates of students, disaggregated by race and income, so that the public can clearly see how many students are successfully completing on-time;
- New reporting of the annual State support for the postsecondary system in order to get more focus on the interaction between State funding trends and the cost of attendance at public colleges;
- Simplification of the financial aid application process so that students have the option of filling out the forms online or on paper;
- Improvements in the GEAR Up and TRIO programs, so that more students have a better chance at learning about higher education and succeeding in obtaining degrees;
- Improvements in the Pell program by providing for summer grants and increasing grant eligibility for less than part-time students;
- Proposals for linking high school with college preparation; and

Programs to Increase the number of students studying and teaching in high-need subjects including:

- Authorization for the Patsy Mink minority fellowship program so that qualified women and minorities can acquire the highest degree available in a field in which such individuals are underrepresented;
- Improvements in teacher quality programs, including a focus on mentoring math and science educators and provisions for special education faculty;
- Increased loan forgiveness for math, science and special education teachers serving in high need schools;

Ends Abuse in Student Loan Program and Ensures Greater Competition in the Student Loan Programs: The legislation places a moratorium on the growth of the “school as lender”

program, which allows universities to turn a profit from the federal guaranteed-student-loan program by making the loans themselves. The “school as lender” program allows universities to lend money directly to students in their graduate and professional schools. Schools may not sell a student’s loans until they graduate, ensuring that they do not have multiple lenders holding their loans. Any profits stemming from the program will go to increased need-based aid. The bill also gives the Secretary greater flexibility in offering more competitive origination fees in Direct Lending.

There are several provisions harmful to students and institutions in the House bill that the Senate bill does not include, such as:

§ The Senate bill creates several new grant programs aimed at helping low-income students gain access to and complete college.

§ The Senate bill does not revise the formula used to allocate funds for campus-based student-aid programs (work study, Perkins loans, and Supplemental Educational Opportunity grants).

§ The Senate bill does instruct the Secretary of Education to consult with the Secretaries of Homeland Security and Department of Defense and the relevant Cabinet offices to advise the Department of Education and Congress and to determine priorities on colleges' international-studies and foreign-language programs.

§ The Senate bill does not change the definitions of institutions of higher education in current law.

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