

EXPANDING THE LADDER OF OPPORTUNITY

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Democrats believe in extending the ladder of opportunity because the overall well-being of society improves as more citizens are able to reach their goals. As we and our neighbors achieve our own "American dream," our well-being spills over into the community. That is why Democrats have traditionally invested in education, in job training, in strengthening families, and home ownership. Becoming better educated, acquiring valuable workplace skills, being able to buy a home of our own and shape our family lives in a positive way, all contribute to the stability and productivity of society.

Under the Bush Administration, federal financial aid was cut by \$12.5 billion, drastically reducing the amount of student aid available for our high school graduates to attend college. Funding restrictions put the maximum Pell Grant at \$4,050 for 2003-2004, up to \$4,731 for 2008-2009. With rising tuition and other higher education costs, these Bush Administration reductions strained the ability of students to obtain the training they needed for the career goals they had.

HR 4872, the "Health Care & Education Affordability Reconciliation Act of 2010," helps restore the American dream. Known as SAFRA ("Student Aid & Fiscal Responsibility Act"), the education portion of the health care reform law enables more students to attain a university education. Investing in students is an investment in America's future.

The greater availability of financial aid also strengthens families. Parents are stressed with paying a mortgage and daily life expenses. The additional expense of putting their grown children through college makes parental responsibility even more difficult. The greater availability of college funding provides financial and personal relief to those parents who want their children to reach their potential through higher education. Those young people will also be better able to support the families they someday will have after they train for a career.

SAFRA spreads out federal education dollars in part by eliminating subsidies to private banks. It instead uses the cost-effective route of the federal Department of Education administering the student loan program. Under the previous system, the federal government paid private banks money to give out student loans. By eliminating those bank subsidies, that money can be rechanneled toward more student financial aid.

HR 4872 bolsters the Pell Grant, a long-standing Democratic program that has enabled students to be able to go to college. It originated in 1965, is named after its sponsor, Senator Claiborne Pell of Rhode Island, and is known also as the Basic Educational Opportunity Grant (BEOG) program. SAFRA amends the Higher Education Act to include mandatory funding for the Pell Grant and includes an appropriation of \$13.5 billion.

The College Access Challenge Grant program will receive \$150 million for fiscal years 2010 through 2014. Funding would be extended through 2019 for programs at "minority-serving institutions" including programs that help low-income students earn degrees in science, technology, engineering or math. Alaska/Native Hawaiian institutions will receive \$15 million; \$5 million will go to Asian American and Pacific Islander Institutions, and \$5 million is appropriated to Native American non-tribal serving institutions.

Repaying student loans after graduating is another measure of relief. The Income-Based Repayment program is amended to cap student loan payment for new borrowers after July 1, 2014. Currently at 15%, loan repayment would go down to 10%. Loans previously, had 25 years to be repaid. The amendment would forgive remaining balances after 20 years of repayment. This especially helps students with high loans, such as medical students.

When the health care reform bill was finally passed in the US Senate, Democrats observed with solemnity the absence of one of its strongest advocates, Senator Ted Kennedy, who had long fought for health care for all Americans. The education portion of the reforms would have been dear to him as well. As was said of the "Happy Warrior," Senator Kennedy's life was "not to champion those with wealth or power or special connections. It was to give a voice to those who were not heard; to add a rung to the ladder of opportunity; to make real the dream of our founding."