

**ACCESS TO HIGHER EDUCATION
FOR LOW-INCOME STUDENTS:
A REVIEW OF THE ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE REPORT**

HEARING

BEFORE THE
COMMITTEE ON EDUCATION AND
THE WORKFORCE

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, JULY 16, 2002

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HEARING ON ACCESS TO HIGHER EDUCATION
FOR LOW-INCOME STUDENTS: A REVIEW OF
THE ADVISORY COMMITTEE ON STUDENT
FINANCIAL ASSISTANCE REPORT

TUESDAY, JULY 16, 2002

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND THE WORKFORCE,
WASHINGTON, D.C.

The committee met, pursuant to notice, at 10:48 a.m., in Room 2175, Rayburn House Office Building, Hon. John A. Boehner [chairman of the committee] presiding.

Present: Representatives Boehner, McKeon, Norwood, Ehlers, Tancredo, Isakson, Tiberi, Keller, Osborne, Wilson, Miller, Payne, Mink, Andrews, Scott, Woolsey, Rivers, Hinojosa, Sanchez, Kucinich, Wu, Holt, Solis, Davis, and McCollum.

Staff present: Alexa Callin, Communications Staff Assistant; George Conant, Professional Staff Member; Sally Lovejoy, Director of Education and Human Resources Policy; Patrick Lyden, Professional Staff Member; Deborah L. Samantar, Committee Clerk/Intern Coordinator; Jo-Marie St. Martin, General Counsel; Holli Traud, Legislative Assistant; Heather Valentine, Press Secretary; John Lawrence, Minority Chief of Staff; Mark Zuckerman, Minority Counsel; James Kvaal, Minority Legislative Staff; Alex Nock, Minority Legislative Staff; Suzanne Palmer, Minority Legislative Staff; Maggie McDow, Minority Legislative Staff; Joe Novotny, Minority Legislative Staff/Clerk; Dan Rawlins, Minority Legislative Associate; and Michele Varnhagen, Minority Legislative Staff.

***OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE
ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF
REPRESENTATIVES, WASHINGTON, D.C.***

Chairman Boehner. The Committee on Education and the Workforce will come to order.

I apologize for the delay in the beginning of our hearing this morning. We are meeting today to hear testimony on the report on Access to Higher Education for Low-Income Students, which was issued by the Advisory Committee on Student Financial Assistance.

Under committee rule 12(b), opening statements are limited to the chairman and ranking minority member of the committee. Therefore, if other members have written statements, they will be included in the hearing record.

And, with that, I ask unanimous consent for the hearing record to remain open for 14 days to allow member statements and other extraneous material referenced during today's hearing to be submitted for the official hearing record. Without objection, so ordered.

I want to welcome our witnesses here today and thank them for taking the time to come before the committee to speak on a very important topic, access to higher education for students of this country, specifically low- and moderate-income students, and what barriers may be before them.

The basis for this hearing is the report recently released by the Advisory Committee on Student Financial Assistance, which was entitled, "Empty Promises: The Myth of College Access in America." This report is a follow-up to the report published in February of 2001 entitled "Access Denied."

Just the titles of these reports should give us reason to pause. Access denied and the myth of college access is not the only message we want to send. This is not the message we want to send to the citizens of our country. There is no more important issue than the education of our children, and providing them an avenue to a better life.

This Congress and this administration have a firm commitment to education. Our commitment is not just within the higher education financial aid programs, but also in elementary and secondary schools to provide a quality education of our children that prepares them to enter college or other post-secondary endeavors.

There are many programs available now to assist low- and moderate-income students to meet their goals. However, the Advisory Committee's report indicates that federal aid alone is not enough. The question becomes: What else should we in Congress do to ensure access and open the doors to higher education to all students?

The question should also be: What can colleges, universities, and others do to assist increasing access as well? There has been a substantial increase in college costs over time, which simply adds to the unmet need and financial barriers that are outlined in this report.

According to the College Board, over the 10-year period ending in 2001, after adjusting for inflation, average public four-year college tuition and fees rose 40 percent, with a 33 percent increase over the same period at private four-year colleges.

It is of great concern to me that, at its maximum, the annual \$4,000 Pell Grant, the highest maximum award in the program's history, along with other available aid, is not enough to allow a low-income student to cover the cost in tuition and fees at a public four-year college.

This Advisory Committee's report states that, and I will quote, "on average, annual unmet need for low income families at a four-year public college has risen to about \$3800." Unmet need, as I understand it, is the cost of college not covered by expected family contribution or student aid, including work and loans.

The report also indicates that students from low-income families have reservations about borrowing funds through student loans. And while I can certainly understand that, and some 30 years ago, I had the same reluctance, it is important to note that according to the College Board, bachelor's degree recipients earn 80 percent more on average than those with a high school diploma.

And over a lifetime, the gap in earning potential between the high school diploma and the B.A. degree or higher exceeds \$1 million. And with the work done in 1998, during the reauthorization, and with the 2003 interest rate fix, interest rates have never been lower for student loans. And while I do not encourage the accumulation of vast amounts of debt, the Federal Student Loan Program is a low cost program that has assisted many students in completing their education.

It is clear that access to higher education involves more than just financial aid. It is also clear that it will take the commitment of many, including the federal government, state government, institutions, and even the private sector, to open the doors of higher education to all who prepare themselves and want to attend.

It is important to discuss all of the issues that affect students and their access to higher education. And I am looking forward to the testimony of our witnesses, so we may identify specific strategies and proposals that can be reviewed to ensure access to higher education for all students, and to better understand what students go through in making decisions regarding higher education.

As this committee prepares for the reauthorization of the Higher Education Act next year, this information will help lay the groundwork in the development of specific strategies to increase student access to higher education.

With that, I would like to yield to my friend and colleague, Mr. Miller, from California.

OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION
AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. –
SEE APPENDIX A

**OPENING STATEMENT OF RANKING MINORITY MEMBER,
REPRESENTATIVE GEORGE MILLER, COMMITTEE ON EDUCATION
AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES,
WASHINGTON, D.C.**

Mr. Miller. Well, thank you, Mr. Chairman, and thank you for having this hearing. I think it is important, and the subject matter is of great importance.

You have outlined the issues that we need to be concerned with and I will not repeat them, other than to say we certainly must be concerned about the shortfall of students who are fully qualified for college but do not enroll. And a significant number of those apparently do not enroll because of financial barriers. And even those who enroll, as you noted, suffer a shortfall that must be overcome in some other fashion.

Obviously, our obligation here is to make sure that we can make those financial barriers less foreboding to those students and to their families, but recognize that as we try to hold on to making sure that there is sufficient funding for the Pell Grant Program this year, that there is sufficient funding for the TRIO and the Gear Up Programs, and programs such as that, that provide students the ability to navigate what sometimes looks to be a very complicated system, both with respect to applications and to financial assistance that we make every effort to make sure that those programs are properly funded.

As you pointed out, we are all aware of what this can mean over the lifetime of an individual who is able to attend two or more years of college for themselves and for their families in their ability to acquire skills later in life.

So I look forward to the hearing and to what the witnesses have to say. And again, thank you for holding the hearing.

Chairman Boehner. Let me recognize the gentleman from Georgia, Mr. Norwood, to introduce one of our witnesses this morning.

Mr. Norwood. Thank you very much, Mr. Chairman. I appreciate you allowing me to speak out of turn. We have a very important EPA hearing going on at the same time. But I wanted to have this opportunity, Mr. Chairman and ladies and gentlemen of the committee, to introduce to you Dr. Shirley Lewis.

I think many of you may already know her. Shirley is president of Paine College in Augusta, Georgia. When Dr. Lewis assumed her position on July 1, 1994, she became the first woman president since the college's founding in 1882.

Dr. Lewis earned her bachelor's and master's degree from Berkeley and her Ph.D. in education from Stanford University. Dr. Lewis has also served as Assistant General Secretary of the Black College Fund of the United Methodist Church in Nashville, Tennessee. And in that role,

she was responsible for raising, and managing, and promoting the Black College Fund, which supports 11 United Methodist-related historically black colleges and universities.

Now, as you might expect, Shirley has served in a number of ways in her professional life. She has been a researcher and a teacher/trainer. She has taught at a number of colleges and universities, including George Peabody College, Vanderbilt University, and Meharry Medical College. She has authored numerous articles and research memoranda on higher education.

But folks around home know Shirley is someone who is constantly serving our community. She serves numerous civic, educational, and service organizations in and around Augusta, and is on the board of more than a few of those organizations.

I believe this is the third time that Dr. Lewis has testified before our committee. And I thank you for that, Shirley. As always, I commend her to my colleagues, and we certainly welcome you back to Washington again.

Thank you, Mr. Chairman.

Chairman Boehner. Thank you, Mr. Norwood. Ms. Lewis, nice to see you again.

Our first witness, though, today will be Dr. Juliet Garcia. She is the chairperson of the Advisory Committee on Student Financial Assistance, which was created by the higher education amendments of 1986 as an independent source of advice and council to Congress and the secretary of education regarding student financial aid policy.

She also serves as a board member of the White House Initiative on Educational Excellence for Hispanic Americans, as well as for the Carnegie Foundation for the Advancement of Teaching.

Dr. Garcia has 28 years of teaching and administrative experience in higher education, having served as president of the University of Texas at Brownsville since 1992.

We also have with us Mr. Lawrence Gladieux. He is an education and public policy consultant living in nearby Potomac Falls, Virginia. He previously served as the Executive Director of the Washington office of the College Board, and later as the organization's Executive Director for Policy Analysis.

Mr. Gladieux has testified before Congress and written widely regarding high school to college transition, equity, access, affordability, and the impact of technology on the delivery of higher education.

Mr. Gladieux, glad you are here.

And lastly, we have Elizabeth Sengkhammee. She is a student in her senior year of study at the University of Wisconsin at Milwaukee. Her parents were born in Laos and came to the United States as refugees in 1979, as a result of the Hmong people's involvement in the Vietnam War.

After completing her studies in community education, she hopes to study in Thailand for a year and to attend law school. And as a first generation student, Ms. Sengkhamee will be testifying about the factors that influenced her decision to attend the University of Wisconsin in Milwaukee.

And with that, I would like to recognize Dr. Garcia.

You may begin your testimony.

STATEMENT OF DR. JULIET GARCIA, PRESIDENT, UNIVERSITY OF TEXAS AT BROWNSVILLE AND TEXAS SOUTHWEST COLLEGE, BROWNSVILLE, TEXAS AND CHAIRPERSON, ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE, WASHINGTON, D.C

Ms. Garcia. Good morning, Mr. Chairman, Mr. Miller, Mr. Hinojosa, and other distinguished members of the committee. I thank you for holding the hearing and for allowing us to focus a bit on this important issue.

My name is Juliet Garcia, and I am president of the University of Texas at Brownsville and chairperson of the Advisory Committee on Student Financial Assistance. I am a first generation college student, as well.

I am pleased to testify today on the major findings of the Advisory Committee's most recent report entitled, "Empty Promises: The Myth of College Access in America." I will provide a summary of my written testimony and request that my entire statement be included in the record.

Most Americans believe that all students have the opportunity to earn a college degree, if only they provide rigorous hard work through elementary, junior high, and high school, and then that the path will be open for them to attend college.

Yet, our committee concludes that this year alone, due to record high financial barriers, nearly one-half of all college qualified low- and moderate-income high school students, that is, over 400,000 students that are academically prepared to attend a four-year college will be unable to do so, and that 170,000 of these students will attend no college at all.

Over this decade, that number increases then to 4.4 million of these high school students that will not attend four-year colleges, and 2 million that will attend no college at all.

For these students then, the promise of a college education is an empty one; and for our nation, the loss of the human capital will exact a serious economic and social toll for much of this century.

Whether we recall the words of LBJ in 1965, or of Richard Nixon in 1970, who both believed and fought very hard so that "no qualified student who wants to go to college should be

barred by lack of money," our path should be clear today. Our nation invests in student aid in order to ensure that the opportunity to attend college and attain, at the minimum, a bachelor's degree does not depend on family income alone.

Nevertheless, the financial barriers to a college education have risen sharply due to shifts in policies and priorities at the federal, state, and institutional levels, resulting in a serious shortage of student aid, and in particular, need-based grant aid, as well as rising college tuition.

As a result, today students from low- and moderate-income families who graduate from high school fully prepared to attend a four-year college, confront daunting financial barriers with major implications for the students, and of course, for our nation.

For example, "Empty Promises," our report, notes the following:

Families of low-income college qualified high school graduates face an annual unmet need of \$3,800. These, as you said, Mr. Chairman, are college expenses that are not covered by student aid including work-study and student loans. And the shortage in grant aid requires that these families cover \$7,500, which is two-thirds of the college expenses at public four-year colleges, and one-third of family income through work and borrowing.

Their peers now from moderate-income families face similar barriers, moderate income families including nurses, teachers, and faculty at our university. Their financial barriers prevent 48 percent of college qualified low-income high school graduates from attending a four-year college, and 22 percent from attending any college at all within two years of graduation.

Peers from moderate-income families are hardly better off; 43 percent are unable to attend a four-year college, and 16 percent attend no college at all. These shocking annual losses at the national level, this year, over 400,000 qualified students, will be unable to attend a four-year college, will produce staggering, cumulative losses of 4.4 million college-qualified students unable to enroll in a four-year college, and 2 million who will then be denied access to any college at all by the end of this decade.

But as startling as these losses are, they are only the tip of the iceberg. Many more students, such as high school graduates, that don't meet the admission requirements of four-year colleges, who could pursue a bachelor's degree today at local community colleges first, are blocked from doing so, again, by prohibitive financial barriers.

Moreover, many students who gain access to a four-year or a community college find it increasingly difficult each year to stay in college as a result of these barriers.

I would be available to answer additional questions for you, and our staff director will provide additional technical response. But I would like to conclude with just one statement, if I might.

This is an issue that unites us all. It affects every ethnic and every racial group and every parent who dreams that their child should have had more opportunities than they did. It should not

be our legacy that we were the ones to break that cycle that we believed otherwise.

Instead, what we are here to ask for you to do is to focus on a long-term strategy and partnership with states and with institutions. We have cracked open that door of access to higher education. What we must now do is fling it wide open. Thank you for your patience.

STATEMENT OF DR. JULIET GARCIA, PRESIDENT, UNIVERSITY OF TEXAS AT BROWNSVILLE AND TEXAS SOUTHMOST COLLEGE, BROWNSVILLE, TEXAS AND CHAIRPERSON, ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE, WASHINGTON, D.C – SEE APPENDIX B

Chairman Boehner. Dr. Garcia, thank you for your testimony.

Ms. Lewis.

STATEMENT OF SHIRLEY A.R. LEWIS, PRESIDENT, PAINE COLLEGE, AUGUSTA, GEORGIA

Ms. Lewis. Good morning, Chairman Boehner, Mr. Miller, and members of the committee. I want to tell you what a pleasure it is for me to be here and share with you Paine College's view of the impact of the report, "Empty Promises."

I have told you before, and I know you are familiar, that Paine College and the other 105 historically black colleges and universities in this country, including the 39 UNCF colleges, have a marvelous legacy of achievement.

At Paine College, for example, we rejoice at having been founded in 1882, through a historical partnership of the Christian Methodist Episcopal Church and the Methodist Episcopal Church South, to create a school to produce preachers and teachers to address the needs of the newly freed persons.

Over the years, we have evolved into a fully accredited liberal arts institution serving business administration, education, humanities, social sciences, natural sciences, and mathematics. And we have carried on the original legacy of creating leaders to amazing heights.

The interesting thing about it is this is true with the other sister institutions under trying circumstances. For example, at Paine College, 90 percent of our students are financial aid-dependent, and that is the case for the other schools, also.

We have a charming enrollment of 888 students, and we say, and I say, that we know each one personally. And I feel like I know their financial aid history personally. I don't, of course, but the statistics are that 690 of these students receive Pell; that 290 of those Pell recipients are eligible for total Pell; that 791 of those students receive subsidized Stafford loans; 371 additionally, unsubsidized Stafford loans.

In fact, 8 out of 10 African-Americans who graduate from colleges in this country are receiving indebtedness of \$13,000 and higher. And at Paine College, a senior who graduates from Paine is very likely to graduate with a debt of \$20,750.

One hundred-and-thirty-one of our students receives the Supplemental Opportunity Grant; 395 Paine College students receive work-study and work 20 hours. At the same time that these students are working 20 hours and carrying loans, they tend to be the students among those whom we recruit and admit who would benefit best by having total time to study.

Even with those kinds of pressures, we have an amazing success rate. In our class of 2001, our valedictorian went to Virginia Commonwealth University; our salutatorian went to Penn State University to pursue a Ph.D. in English.

This year among our graduates was a student who went to the University of Pennsylvania to a post-baccalaureate program. And our star graduate, from a little tiny town right outside of Atlanta, called Morvin, Georgia, was accepted to seven graduate schools such as Boston College, University of Pennsylvania, University of Georgia.

Each of those students, and many others, came to Paine College financial aid-dependent. They would not have made it without being accepted, without being nurtured, without receiving financial aid, and, in many cases, without carrying loans.

We are looking to create some more superstars. And among that list I have a student who is a sophomore. Her mother died in high school; her father died before that. She received financial aid, of course, but we could not meet her total needs. So even though she is totally destitute, she has a \$2,000 unmet need.

I have another student from out-of-state who is from a family that has been judged as non-creditworthy. The student is worthy. The family is not able to provide the kind of assistance that they should be able to provide. So we have helped him to obtain subsidized and unsubsidized loans. But, at the moment, he has an unmet debt to the college of \$4,425. Where will he go? What will happen? We are waiting and trying to help.

We, like our other historically black colleges, and many other private colleges, have an outstanding reputation for nurturing. That is true. But our nurturing is buttressed by being able to provide, through the TRIO programs, our student support services programs, which emphasize access.

So what we need more than anything else is more support, more grant aid, to be able to provide the kind of service that we provide through the partnership with you. A higher Pell grant, grants-in-aid, are extremely important for at-risk students, students who we have proved across the years can make it, do make it, and do marvelous things.

So I ask for your continued support, the federal support. It is the best partnership and the most important one that we have to be able to carry out our marvelous goals, and to produce the

great people that we do produce.

When we produce a student who graduates from Paine College, whether that student came in, as many of them do, with the grade point average, the test score, and the lifestyle to make it anywhere, those students go to Paine because they know we are special.

We also admit some students whose entry profiles say to us, you can make it, but may not say that to everyone else. They, too, are among the superstars that we produce. But we are very concerned because the unmet need portion of their financial aid packages is growing, and the debt burden of loans is growing.

So I ask for you to continue to be our partners. Remember that we do a marvelous job. Together, with the healthy partnership, instead of empty promises, we will continue to fulfill dreams. Thank you.

STATEMENT OF SHIRLEY A.R. LEWIS, PRESIDENT, PAINE COLLEGE, AUGUSTA, GEORGIA – SEE APPENDIX C

Chairman Boehner. Thank you, Dr. Lewis.

Mr. Gladieux.

STATEMENT OF LAWRENCE E. GLADIEUX, EDUCATION AND PUBLIC POLICY CONSULTANT, POTOMAC FALLS, VIRGINIA

Mr. Gladieux. Thank you, Mr. Chairman, good morning.

Chairman Boehner. You might want to turn your microphone on.

Mr. Gladieux. I have a green light. Do you hear me?

Chairman Boehner. Not very well.

Mr. Gladieux. Thank you, Mr. Chairman. Thank you again, and good morning.

My name is Lawrence Gladieux. I am an independent policy consultant in the area of higher education. Dr. Garcia and her committee have performed an important public service in documenting the financial barriers facing low-income students in higher education.

I fully support the recommendations to expand need-based grant aid, in particular. Over the past decade, trends in tuition financing and financial aid have fallen hardest on those who have the least ability to afford post-secondary education.

By under investing in human capital, not only do we deny the American promise of opportunity for many of our citizens, we shortchange our country's economic future. One thing

that I think adds special urgency to the Advisory Committee's recommendations is the new demography of college age students.

The Census Bureau projects that there will be 20 percent more 18- to 24-year-olds over the next decade, and this cohort will look very different from previous generations of college age students.

It will be ethnically much more diverse, and the fastest growth will come from groups in the U.S. that have traditionally been poorer on average than the general population. Substantially more financial aid will be needed just to sustain current levels of post-secondary participation.

But removing financial barriers is just part of the challenge, as has been noted. We need complimentary strategies to equalize college opportunities. Many factors influence an individual's chances of college: prior schooling, academic achievement, family and community attitudes, awareness of opportunities, as well as ability to pay.

For low- and moderate-income students, affordability is intertwined with a host of other variables rooted in culture, environment, and social conditions. Of all of the things that influence who enters and who succeeds in higher education, academic preparation appears to be the most powerful.

Research has repeatedly shown that students who take rigorous, progressively more challenging course work through high school are far more likely to plan for, enroll in, and graduate from college.

For many students, the die is cast by the 8th grade. Students without the appropriate math and reading skills by that grade are unlikely to acquire them by the end of high school. When asked, almost all 8th graders say they want to go to college, but the course-taking patterns of low income and minority students make it difficult for them to meet their expectations.

As a result, many of these students end up less well prepared on average than higher income majority students. Tracking policies, school resources, and quality social conditions all play a part in creating these disparities.

For the long haul, let's hope that the education standards movement, the "No Child Left Behind" legislation that this committee helped to enact, and all of the energy that is being poured into school improvement around the country will benefit and change the odds for generations to come.

In the mid-term, however, I submit that we need direct outreach to more of the current generation, intervention programs that make a difference in the lives of young, disadvantaged children.

Yes, we need the wholesale school reforms. We also need the retail, "one kid at a time," kinds of efforts. Twenty years ago, as many of you know, Eugene Lange started a movement with his "I Have a Dream" promise to 60 sixth graders in east Harlem. He said he would pay their

college tuition if they graduated from high school.

Lange not only guaranteed the tuition, he made a personal commitment to the critical mentoring, and counseling, and tutoring, and whatever support was needed to keep students from falling between the cracks, and many of them have graduated from college and gone on to productive lives as a result.

Scores of programs like this have been developed across the country and they do make a difference. But for the millions of young people whose life chances are dim, and might be lifted by an "I Have a Dream" kind of program, the movement is almost like a wheel of fortune.

A youngster must be lucky enough to be in the right city, the right school, and the right classroom. The challenge for public policy is to leverage these kinds of efforts to a much larger scale. We have a profound talent search, the federal TRIO programs, as well as the new Gear Up Program.

These provide many of the support services that are needed for low-income first generation students, but they only reach a small percentage of the eligible population. Gear up is an attempt, as I understand it, to emulate the most successful private intervention programs, the tuition guarantee, plus the other support services to help students keep on track.

Beginning on page 12 of my written testimony, I offer a number of specific recommendations for the federal government, the states, and the colleges. I would be glad to go into specifics if we have time in the question and answer.

Suffice it to say, as it has already been said, we need greater efforts from all levels of government, from institutions of higher education, from the private sector, are much wider in deeper commitment across our society to reaching, motivating, and preparing students for college, and making sure that price is not a barrier.

Thank you, Mr. Chairman.

STATEMENT OF LAWRENCE E. GLADIEUX, EDUCATION AND PUBLIC POLICY
CONSULTANT, POTOMAC FALLS, VIRGINIA – SEE APPENDIX D

**STATEMENT OF ELIZABETH SENGKHAMMEE, STUDENT, UNIVERSITY
OF WISCONSIN AT MILWAUKEE, MILWAUKEE, WISCONSIN AND
MEMBER, U.S. STUDENT ASSOCIATION, WASHINGTON, D.C**

Ms. Sengkhammee. Good morning. My name is Elizabeth Sengkhammee, and I am a student at the University of Wisconsin at Milwaukee, and a member of the United States Student Association. USSA is the nation's oldest, largest national student organization.

Since 1947, we have worked to expand access to higher education because we believe that education is a right for all, and not a privilege just for a few. The release of "Empty Promises," a report on college access in America, has brought student financial aid to the forefront.

We are pleased that you have asked for our input. Students will be directly affected by decisions made by Congress on financial aid programs. On behalf of all students that receive a form of financial aid, and those who expected to receive in the future, I thank you for this opportunity.

This fall I will be a senior at the University of Wisconsin Milwaukee majoring in community education. I was a vice president of the student government in 2001 and 2002. Upon my graduation in May, I hope to study in Thailand for a year; afterwards I would like to attend law school.

My obstacles in life have shaped my dreams to create equality for all people. I am here this morning to talk to you about my experience entering college, and what factors went into that decision.

My parents were born in Laos and entered the United States in 1979. My father was a 50-year-old Vietnam War veteran, and my mother was 40-years-old when we came to the United States. They had no money, and, most of all, no education.

As refugees of the Vietnam War, the Hmong's people involvement side-by-side with the United States in the secret war, adjusting to a new culture was just half the battle. The other half was living in a world with misunderstanding and racism.

With no education and no knowledge of the English language, my parents used what they did have, heart, spirit, and dedication, to give their children the strength and support that they needed.

I grew up with five sisters and two brothers in Wisconsin. My younger sister and I were born in America; the others were born in Laos and Thailand. Going to college was not something we thought of as reality. I wanted to change that, so I independently applied for scholarships, schools, and financial aid.

Applying for school was an uphill battle. Being poor all of my life, seeing the suffering and sacrifice my family has, I wanted more, not just temporarily but permanent, a realistic future.

As a first generation college student growing up, I was not like any other teenagers. I couldn't go to my parents for questions and help that I needed on my applications. With a little help from my older sister and a high school counselor, I made it through the application process, and this changed my family's future forever.

I was accepted to many institutions, one of which was a private women's college in Milwaukee. This was a dream come true. I also received a scholarship to attend the school. This

accomplishment was soon taken away when I realized the cost of the institution was too high.

Even though it had everything I wanted in a school, such as a smaller and more personal campus, it was not a possibility. I was nervous about going to college, and a small campus would have created a smooth transition for being a first generation student.

I now attend the University of Wisconsin at Milwaukee. My choice has created different experiences that I appreciate. However, the choice was made because of financial barriers, the cost of education was a factor in my search for a post-secondary institution.

Without efforts to make college both more accessible and more affordable, we can expect a rise in student work hours and student debt to continue. And those are the lucky ones, the ones who get a foot in the door.

The 2 million would-be students sitting on the sidelines deserve better. We can do better. Congress can do better. Billions of dollars of lost earning potential and even greater loss in broken dreams is unacceptable.

We have to promote financial aid policies that emphasize need, make loans more affordable, increase grant aid, control tuition, and make access to higher education our nation's hallmark.

Like many other low-income students, I do not have the resources that other Americans have in this country. My parents arrived here 22 years ago with the dream to create opportunities for all of their children. I have fulfilled that dream through education.

Although they could not provide me with financial assistance and knowledge that I needed, they provided me with the courage and hope for a better future here in America. My college education will enrich my life, my family's life, in America for many years to come. Thank you.

STATEMENT OF ELIZABETH SENGKHAMMEE, STUDENT, UNIVERSITY OF WISCONSIN AT MILWAUKEE, MILWAUKEE, WISCONSIN AND MEMBER, U.S. STUDENT ASSOCIATION, WASHINGTON, D.C – SEE APPENDIX E

Chairman Boehner. Ms. Sengkhammee, thank you for your willingness to come and tell us your story, and thank all of the witnesses for their excellent testimony.

When you graduate next May, Ms. Sengkhammee, what kind of debt, with regard to student loans, do you expect to have?

Ms. Sengkhammee. I expect about \$10,000.

Chairman Boehner. Do you think that is too high, too low, or just about right?

Ms. Sengkhammee. I definitely think that is way too high, even for a person like myself, because you have to account for transportation, housing, food, and books. And it is just not tuition

anymore. There are other things that are causing people to go in debt, especially for college students.

Chairman Boehner. But my point is, you have \$10,000 worth of debt, but you also have a college degree. And my point is that do you think that is a reasonable trade-off?

Ms. Sengkhamee. Definitely, I mean, anything is worth your education. But the amount of sacrifice and time of work that you have to have to pay it off, I mean, I think it is a little strenuous.

Chairman Boehner. I was going to ask, I think it was Dr. Lewis, who said that the average debt, and these are students at your college, the average debt was about \$20,000?

Ms. Lewis. Yes, \$20,000.

Chairman Boehner. And as I was listening to that, I was one who never understood the value of a college education, and what it would mean in terms of earning power, and was very reluctant to take on debt.

But when you begin to look at Ms. Sengkhamee's illustration of her \$10,000, and the average at yours is \$20,000, I would suggest that most people will end up taking on a car loan of somewhere between 10 and \$20,000 without even blinking an eye.

Now a car is an asset that declines in value rapidly, especially the more you drive it, whereas a college education is something that is a real investment in your long-term earning power.

And I wish I knew then, 30 years ago, what I know now, I wouldn't have spent all of the years I spent in night school trying to get myself a college degree. I would have probably tried to find a way to get a loan.

But I do think that as I read through the testimony of all four of you, one of the barriers, and one of the ways to overcome the obstacle, would be mentoring. The advice that all of you talked about in some way, I think, is a very big barrier to many young people who want to go to college. They have never been exposed to it, never had someone work with them to show them how they might be able to do that. And I would like to ask all four of you what role you believe mentoring of some sort would have in terms of increasing access to higher education? Dr. Garcia.

Ms. Garcia. Thank you. It is true that one of the most important variables for students to persist, that is to stay in school at the college/university level, is making some sort of connection with someone. The connection can be with a faculty member, a counselor, an advisor, or a clerk, somebody that helps them through those difficult cycles that we have all had going through school. And so there is no question that a mentoring program or a connection is an important variable to persistence.

I think what also needs to be considered, however, is the issue of the loan burden that goes with mentoring. We had a student testify, like the articulate student that spoke this morning, over a three-year period, to our committee. One particularly stands out to me. And this was a student

who was first in her family to go to college, came from a migrant family, had a similar situation in the sense there was no one at home that could help her or mentor in that regard, so she sought it all from the university.

She was a work-study student, actually, in my office; also had a loan, also had maximum Pell Grants, and also worked after college for money. She told us in that testimony that she had just gotten a credit card because she needed additional money than just to buy her books for that semester.

So while we were helping her in my office, she was being mentored by all of the folks that are there, she actually needed much more than that. She needed more financial assistance. And that wasn't because she wasn't prepared to go to college. And it wasn't because she wasn't working her way through. So the issue of burden is a tremendous one.

Chairman Boehner. Dr. Lewis.

Ms. Lewis. Well, you know, if I were to change Paine College's name, I am not, but if I were, I would call it Mentoring University. That is the ambience of who we are. That is our *raison d'être*. That is why people come to us and pay private college tuition. And that is why some of these people have the \$20,000 debt. It is absolutely important. We would lose more people if we were not a mentoring institution.

I like your metaphor about the loan for the car. No way does it compare to the loan for college. But, you know, you almost think about our students out with the loan from college, and then the loan for the car, you know, so we need the mentoring. We need the support for our student support services, which is part of the programmatic part of the mentoring. But we also need to make the playing field more level.

Chairman Boehner. Mr. Gladieux.

Mr. Gladieux. There is a book, and technology is not my strong suit. There is a book titled, "Beating the Odds: How the Poor Get to College", and it is written by Arthur Levine. He happens to be president of Teachers College at Columbia. And a colleague of his, I think, Jana Niddifer, both of them were the first generation to go to college. And they did 24 case studies of first generation students.

And they concluded very simply that the critical difference in almost in every case, it came down to one individual. It might have been a relative, it might have been a teacher, and it might have been a counselor, anybody, who created a spark.

They call it, "One Arm Around One Child." They call it retail, not wholesale, work. It is very intensive work when you try to scale up these kinds of intervention programs, because it requires that human contact.

Chairman Boehner. Ms. Sengkhamee.

Ms. Sengkhammee. I believe that mentoring is definitely a strong component in the motivation of why students go to college. But, however, like many of my peers, who did have mentoring, and who did have guidance, they decided to go straight into the work force, or go straight into the work force and get a loan to buy a nice car.

They didn't even think they could afford the cost of education, so why did you want to think twice about going into it. I definitely believe that mentoring has a strong component to it.

But, still, when they think about the cost of higher education, that kind of turns them away from entering college.

Chairman Boehner. Well, let me, as my time has run out, let me say that I do think that the mentoring part is a significant step in this process. As most of my colleagues know, I have got 11 brothers and sisters. I am the only one that went to college. I don't know who sparked me, but I remember having to buy a car to get to school. And, finally, it came down to paying the tuition or paying the car loan, and paying the car loan was very important at that time.

And, as a matter of fact, I ended up dropping out of college, and after working several years of back-breaking work, that reminded me that I didn't want to do that the rest of my life, so I went back to college.

But I do think that taking the fear away, the cost that could never happen to me. And the mentoring part of this is a very important part because, while there are problems with cost and filling in the void, I think taking the cloud away that it is possible is probably maybe one of the most important things we can do.

With that, I will yield to Mr. Miller.

Mr. Miller. Well, thank you, and I am in full agreement with you. I am concerned a little bit that the suggestion is that this is a simple problem of just financial assistance.

And I think, as the panel has pointed out, we, as we think about the Higher Education Act, certainly we should think of this in a broader context, because I think a lot of it is about properly informing people about what their real options are.

You have mentioned, Ms. Sengkhammee, that some individuals just think, well, they can't afford it. There is no reason to go to college. They will go into the work force. I don't know if that is an informed decision, or an uninformed decision, and I think that is important.

Because if they really knew what their options were would they make that same decision? I don't know. In California, we have a different situation. We have the Cal Grants Program.

And, yet, we see that that may not even be taken up fully in terms of opportunities for young people, certainly to go to the community college system, certainly to get those first two years.

And that is why I guess my first question would be on this issue; you have 400,000 college-qualified students who failed to enroll. What do we know about those 400,000 people?

I mean, not every decision not to go to college is not a bad decision. And so, what do we know about those 400,000? I don't mean to minimize the findings here. But do they go to college later?

Do they participate in programs that their employer provides that provides them a whole series of skills that are necessary to what they may intend to be their profession?

What do we know about them?

Ms. Garcia. May I respond?

Mr. Miller. Yes.

Ms. Garcia. What we know about them is that they took all of the rigorous course work to prepare to go to college. And we know that they assume then, had the expectation to go to college. We know that two years after their graduation they were still not enrolled in college if they were low-income students or moderate-income students.

So what that would leave you then to conclude is that they have, while preparing and doing all that we told them to do, perhaps, because of mentoring, or because of other reasons, have prepared to go to college, have had to make the decision not to go after two years.

And what you know about a student is if they do not go to college within the first two years after high school, the probability of them ever returning to college diminishes exponentially, so that is why the focus.

Mr. Miller. You still haven't told me why they made that decision. You said you drew a conclusion that it was because of financial assistance.

Ms. Garcia. Because you try to eliminate all of the other variables that it could have been. For example, that it could have been because they weren't well prepared. Well, we know that that wasn't the case. We know that there are now community colleges close to many communities.

So we think access, in terms of number of institutions or variety, is probably there. And so, when you try to eliminate all of the other variables, the one that finally is left that does not get eliminated is the gap between what they can receive from Pell Grant for financial aid, work study, loans, and the actual costs of going to college itself.

Mr. Miller. Excuse me, if I could just because I don't want to run out of time. Mr. Gladieux, does that sound about right from your perspective?

Mr. Gladieux. Well, I think we are talking about a very complicated equation of human behavior and social policy. The most persuasive evidence to me that we have yet to solve the affordability

problem is Department of Education data that at all levels of academic achievement, you hold constant for academic achievement.

Less affluent students go to college at much lower rates than high-income students. But that doesn't say that the sole barrier is financial. I think a big part of this is academic preparation.

Mr. Miller. We are talking about a group of students we assume made the academic decision.

Mr. Gladioux. Well, I have to say, I don't want to get into methodology and I haven't looked at it closely. But you have to look at the range of academic preparation, achievement levels, ability of that group that, according to the index created by the Department of Education, says these students are qualified.

Well, that can be from minimally qualified up to very highly qualified. And I am sure there is a distribution, in terms of ability, within that group that varies by income and race. And, you know, that's a reality. And it is part of the stark reality that we are looking at.

Mr. Miller. Well, let me just say, and I won't take just one moment here because this isn't going to be answered today. But my concern is it is not about, and I am obviously incredibly committed to providing financial assistance and very disturbed about our move away from grants and our move to higher income support for higher income families, and all of the rest of that.

I think it is more complicated than just that. I mean in my own experience, in my own community working with groups who do intensive mentoring, we have a group, the Omega Boys and Girls Club and they come and they take a tour of historically black colleges, and they work with students, some cases almost four years, through their entire high school experience.

A hundred percent of those young people end up in college, and they come mainly from low-income families, and are accepted across an incredible range of institutions. I don't know that that says anything yet either. But I don't think it is just a question that 400,000 people didn't show up, and so it is more money.

I think we would be missing the mark, in terms of the other kinds of support systems that are necessary to help people either fathom what is available out there. I meet with young people in Close Up and Gear Up Programs; they didn't have a clue that the University of California was 12 miles down the road.

They didn't have a clue that it existed there until they ran into these programs. Sometimes they didn't run into these programs until they were juniors or seniors. So I think that this is somewhat more complicated than just notion.

Thank you very much. All of those testimonies were very helpful.

Chairman Bohner. Mr. Isakson.

Mr. Isakson. Thank you, Mr. Chairman. Welcome, Dr. Lewis. We are proud of what you do in Georgia.

Ms. Lewis. Thank you.

Mr. Isakson. Following up on what the ranking member said, and earlier the chairman said, are you familiar with the Prep Program, or Prep it Up Program that the Chancellor of the Board of Regents established a few years ago?

Ms. Lewis. A little bit, yes, I have heard of it.

Mr. Isakson. Just to follow up on what Congressman Miller said, Georgia recognized there was a disconnect that may have been financial, and started a Prep it Up Program, where less affluent, more financially challenged students in their junior and sophomore years are invited to the various campuses of the university system in Georgia to experience college life, and also learn about what is available.

And they had a remarkable success rate, in terms of the rate of students going to college that otherwise previously had not. So I just wanted to chime in and say that I think Mr. Miller and Mr. Boehner are absolutely correct that there is a major role in mentoring.

A lot of the economically disadvantaged also have an informational disadvantaged, if you will, and it certainly makes a contribution. That is really a comment on my part, but you are welcome to react to it if you want to.

Ms. Lewis. Well, I think that you are raising a very good point. The program that was developed for the public universities is very similar to programs such as Upward Bound, which we have on our campus, and many other campuses. And I think that it is very true that we have much more work to do in terms of providing information.

There are people who do not think they can go to college, who don't know there is a college down the street, as Mr. Miller said; or who don't know that there is financial aid, which, if they are low income, can assist them.

So that is an important part of it. But what we are experiencing is that for those who do know, or those whom we find through various forms of mentoring often still drop out as they get there, or don't come because it seems to be out of reach financially.

So there is a combination, there are other factors certainly in mentoring. Mentoring through individuals or through programs helps tremendously. So it is not to exclude that. But we are driven, or certainly torn by the fact that even when we get these wonderful opportunities, we have a gap and we need some more help with it.

Mr. Isakson. Dr. Garcia, does your institution offer any of your course work over the Internet, or distance learning?

Ms. Garcia. Yes, sir. We are a part of the University of Texas system, distance learning, web-learning network, and we had the first graduate of the entire UT system from UT Brownsville.

Mr. Isakson. Very good, Dr. Lewis, do you offer any course work over the Internet?

Ms. Lewis. Not yet.

Mr. Isakson. Well, I am sure you will soon. Well, this is an advertisement. Thanks to the hard work of the ranking member and the chairman, we have passed in the House an overwhelmingly, by an overwhelming margin, House Bill 1992, to make student finance available to distance learning in higher education from accredited institutions with low default rates.

That is basically held up in the Senate by very few people whose memories are too long and foresights too short. But it seems to me the Southern Regional Education Board has just come out with a strong statement saying the cost of distance learning should not be tied to resident or non-resident tuition, but rather to actual cost.

There is significant evidence that universities like the university system of Texas that have the infrastructure investment can offer very cost-effective, high end education via the Internet, and that if we can get the 50 percent rule and the 12 hour rule amended and allow student finance aid, distance learning reduces some of those ancillary costs that are inhibitors such as residency, food, transportation, and all of those types of things.

So that is an advertisement on behalf of the ranking member, who has left, and the chairman of the Higher Ed Committee, Mr. Boehner, and myself. If you had lobbied over in the state of Massachusetts in the Senate, it would be very helpful to these students that you are talking that we are trying to help.

It won't solve the entire problem, but there are some policy issues as well as finance problems that will help. And I yield back, Mr. Chairman.

Chairman Boehner. Thank you. Good plug.

Mr. Scott.

Mr. Scott. Thank you, Mr. Chairman. I would like to thank all of the witnesses for testifying. We have heard about the effect that this has, that lack of funding will have on your high school.

If you don't think you are going to college, you are not going to worry about doing well in high school, and the effect that some of the programs like, "I Have a Dream," and the effect that they can have on students.

Do any states have guarantees of college access? I thought Georgia had a program.

Ms. Lewis. Georgia has a wonderful program, Hope Scholarships for students who have done well in high school in college prep courses, and also the Tuition Equalization Grant for students who go

to college.

And for Paine College, for example, that is a tremendous resource for our financial aid. It is an asset, and it helps us tremendously. For the Tuition Equalization Grant, they have to make reasonable progress.

But for the Hope Scholarship, which provides \$3,000 for students with college prep courses and a B+ average, if the student is able to maintain that grade point average, that is a tremendous boost for us. And we have a 75 percent retention rate, retention of the Hope Scholarship, at Paine College.

Mr. Scott. Thank you.

Ms. Lewis. Thank you.

Mr. Scott. Dr. Garcia, did your calculation figure out how many hours of work you would expect a student to work during school to get to the \$3800 shortfall?

Ms. Garcia. I don't know the exact number. What I can tell you is that what we discovered that students who are low income and are attending college and university, tend to work more than 40 hours a week.

Mr. Scott. It is my understanding that if you work more than 15 hours a week, that your attrition rate starts going up, is that right?

Ms. Garcia. Yes, sir, that is exactly right. In response to your previous question, I might add, about other states, Indiana has an Indiana Scholars Program that provides, guarantees tuition. And Texas has what they call the Texas Grant Program that also assists students who have taken rigorous courses, and it is not need-based, also merit-based.

Mr. Scott. In the 1970's, the Pell Grant covered about 84 percent of the public school tuition, and now it is down to about somewhere in the 30's. In the 1970's, you could probably work about 15 hours a week during school and make that difference.

Do you know how many hours you would have to work during the week to work your way through school now?

Ms. Garcia. Well, we would surmise from the studies that we have studied is that it would be over 40 hours a week.

Mr. Scott. If you work 40 hours a week, do you end up getting disqualified for certain aid packages?

Ms. Garcia. And that is an important question. I am glad you raise that. That is one of the problems with Pell today. If a student begins to work outside, in addition to the loan that they have gotten, you are absolutely right. That amount of dollars is added to their capacity. And so, the next

year they will actually get less Pell than the current year.

Mr. Scott. Being \$3800 short at a public college, you are obviously a lot further behind going to a private college.

Do the demographics of those going to a private college, are they now being skewed to the point where only the wealthy can attend a private college?

Ms. Lewis. The wealthy, of course, can attend. The non-wealthy, which is 90 percent of the students who attend Paine College, have higher and higher loan indebtedness, are working more hours outside of school, and are having just a terrible time trying to keep up.

Our problem increases when we consider that we have students not only those who are totally qualified for federal financial assistance, but then we have lower middle income students whose parents make, or parent, which is usually the case, makes enough not to qualify for financial assistance, but not enough to cover the costs of tuition.

Mr. Scott. But this has some implications of the poorest people going to school; end up the worse in debt.

Ms. Lewis. Yes, very much so.

Mr. Scott. They are least able to make any investments, to save any money for investments. Let me ask one quick question on the anti-trust exemption that was mentioned in somebody's testimony. I thought we had fixed that a couple of years ago.

What do we need to do for the anti-trust exemption for private colleges to be able to offer scholarship packages?

Mr. Gladioux. Excuse me, Mr. Scott. I included a recommendation in my testimony that three private colleges confer among themselves about financial aid packages, and in order to focus their scarce student aid dollars on the neediest students.

And I believe that there was a fix in law several years ago, but I would advocate widening it. There are certain restrictions in the legislation that was passed, or the amendment. I would get rid of this anti-trust kind of chill that inhibits colleges from reaching consensus on need-based standards.

Mr. Scott. Thank you. Mr. Chairman, I would inquire if we could get a briefing on what that anti-trust fix did, and what we need to do to accommodate these concerns. I don't know if that is within our jurisdiction or not, but I think we need a briefing on that issue.

Chairman Boehner. You are right. It is not in our jurisdiction.

Mr. Scott. Well, if we could find out some information on it, so that we can inform the committee with appropriate jurisdiction, we would appreciate it.

Chairman Boehner. Yeah, we will do that.

Mr. Scott. Thank you.

Chairman Boehner. We will do that. Thank you.

Mr. Keller.

Mr. Keller. Thank you, Mr. Chairman. I want to thank all of the witnesses for taking time to testify before us today. I certainly am a big fan of the Pell Grant Program. I wouldn't have gone to college but for the Pell Grant Program.

One of the things the Empty Promises report talked about was the unmet need of about \$3800, and the need for more money for Pell Grants. Let me ask your opinion. I'm going to ask all of the witnesses to weigh in on this.

Right now, we spend about \$11 billion to maintain Pell Grants at \$4,000. If we could wave a magic wand and say an extra \$2 billion this year, so it is \$13 billion, how would we spend it?

And let me ask for your opinion on this. There are two schools of thought. There is a Harvard professor, who has written a book called "Paying for College," that says we should front load Pell Grants to help kids get in the door that first year.

And so, he would take that money, and instead of having \$4,000 for the first year, he would say \$5,000 for the first year student, and second, third, and fourth year would stay at \$4,000.

President Bush advocated something similar when he ran for office initially. On the other hand, the folks who represent the four year school says, "No, we don't like that proposal. That would be cruel to help someone get their foot in the door the first year, and then you get less Pell Grants, second, third, and fourth year."

And so, there is an honest difference of opinion among reasonable people. If we had that extra \$2 billion, do you think, on the one hand, we should front load it and have the first year get \$5,000, or should each year go up to \$4250 across the board? Dr. Garcia.

Ms. Garcia. Thank you for that question. I think that I would love to have that wand, and I know you all do. And so, what I would do is to go ahead and apply it across the board and not front load.

What we know is that even when students get to our doors they often drop out after a year, or two because of the financial aid issue. So to diminish that aid those years actually works against what we are trying to do, and what we have discovered as research.

Mr. Keller. Okay. Dr. Lewis, do you have an opinion on this?

Ms. Lewis. Yes, I do. I love the philosophy of front-loading for the new students, because, of course, you want to get them in the door. But I have to say that the reality is there is no less a

problem as you continue, than there is when you start, and that I would prefer, since we are waving the wand, that we could, if we approved it, we would have a Pell Grant already at \$5,400, because we are allowed to do that. We just aren't there yet.

So I would like to go up at least to what we could be doing now, and continue to increase it and allocate it evenly.

Mr. Keller. Okay. Mr. Gladieux.

Mr. Gladieux. I think there is an aspect of bait-and-switch. And, yet, once again, likewise, I am drawn to the idea of front-loading and giving that in major incentive right up front. So I am of mixed mind about your question.

I will say that it is a sure recipe for political gridlock among the sectors of higher education. So I think it is going to be very tough and may be a distraction from other issues that ought to be debated.

Mr. Keller. So you say it should be across the board then?

Mr. Gladieux. I would say across the board, yes.

Mr. Keller. Okay. Elizabeth.

Ms. Senghammee. Well, as a recipient of the Pell Grant, I also believe that it should be across the board, too, because even if you can afford the first year it doesn't eliminate the fact that you still have to go to college for three more years. So I would definitely agree that it should be across the board.

Mr. Keller. Okay. Let me ask a final question. What do you think the Pell Grant should be funded at though? You mentioned that we have an authority higher than \$4,000.

What do you think would be reasonable for Congress to fund the Pell Grant at next year?

Ms. Lewis. \$5,400.

Mr. Keller. Dr. Garcia.

Ms. Garcia. I think we should try to recover the buying power we had in the '70s, and it would take adding at least that much, and making a long-term commitment to continue to do that as need arises.

Mr. Keller. So will that be about something in the \$5,000 range, you're saying?

Ms. Garcia. Oh, I think the issue is at the very least, yes. That would make a significant impact toward recouping some of that buying power.

Mr. Keller. Okay. Mr. Gladieux.

Mr. Gladieux. To restore the purchasing power, I believe would require a maximum Pell Grant in the range of 7 to \$8,000, but I would take \$5400 next year.

Ms. Lewis. You would settle for that next year.

Mr. Keller. Margaret, you are going to be going on to graduate, what would you like to see in your Pell Grant be?

Ms. Sengkhammee. It is Elizabeth.

Mr. Keller. I am sorry, Elizabeth, yes.

Ms. Sengkhammee. Well, I believe that a maximum increase in Pell Grant would be good, but to resource in the funding for \$400, in addition to what we already have.

Mr. Keller. Okay, thank you. Mr. Chairman, I yield back.

Chairman Boehner. The chair recognizes the gentleman from New Jersey, Mr. Andrews.

Mr. Andrews. Thank you, Mr. Chairman. I very much appreciate the testimony of each of the witnesses. Thank you. It was very inspiring. Particularly, you, Elizabeth, were very inspiring.

I preface my question by saying I believe that increases in income for college graduates have outpaced increases in tuition. And I think a fair measure of tuition increases is that the investment has been more than justified because of tuition increases.

Having said that, I want to play devil's advocate for a minute and ask the panel this question. College tuitions are increasing considerably higher than the rate of inflation, and have for the foreseeable past number of years.

What about the argument that increasing the Pell, particularly if we make the Pell an entitlement, is going to fuel inflation and tuition at an even higher level, and that the end result will be that the gap between what people have to pay, and what they need to pay will grow, that all we will really do is subsidize an explosion of tuition inflation, and students really won't be any better off at the end of the cycle than they are now?

What do you think of that argument?

Ms. Garcia. I would be pleased to begin to respond to that. Before I was president of the University of Texas at Brownsville, I was president of a community college for five years. And as part of the University of Texas system, I am part of discussions of the 15 universities and medical schools in the UT system.

I have also been involved with the Southern Association of Colleges and Schools for many years, and with the American Council on Education, in a variety of capacities. Never in any of those discussions, with regards to tuition increases, has ever anyone made the connection between, "my goodness, Pell is going up. Now is the time to raise tuition."

At home, where 90 percent of our students, like Dr. Lewis', are in need of financial assistance of some kind, and most of those maximum Pell grant. We work so incredibly hard, and we have the lowest tuition of all of the UT system schools, not even to consider a fee increase at our institution. I have never experienced that relationship occurring.

Ms. Lewis. I thank you for that comment, Dr. Garcia. Paine College and many of the sister institutions, particularly those in UNCF, we have a history of keeping our charges low. We would be better off if we raised them. But our whole philosophy is to try to stay within reach of the students, and we have never based any increase on what might be coming with Pell. It would just help us do what we do better.

Mr. Andrews. I know that is true. I know the data shows that, too.

Ms. Lewis. Thank you.

Mr. Gladioux. You could argue if you look back over the past 20 years of this tuition spiral, relentless prices, higher prices exceeding inflation, that if the student aid programs, Pell grants, loans, everything, hadn't been around, what you could ask, would tuition have risen as fast, as much as it has in the past 20 years? That is a question.

And, you know, your question is based on a premise that maybe third party payments are just going to fuel, allow providers just to raise.....

Mr. Andrews. Sort of like health care, that is one of the arguments.

Mr. Gladioux. Yes, but, if you look at Pell grants, it just isn't plausible to me because only a small number of students receive that at any institution.

Mr. Andrews. Right.

Mr. Gladioux. So it's not going to cushion the increases across the board. You know, people said when the tuition tax credits were enacted several years ago that that was going to cause more inflation.

Mr. Andrews. In fact, tuition increases have moderated since the tax credits were enacted.

Mr. Gladioux. A little bit.

Mr. Andrews. From '97 on, they have been slightly lower increases.

Mr. Gladieux. A little bit.

Mr. Andrews. Yeah.

Mr. Gladieux. Yes, it is hard to sort it all out because there is so many sources and subsidies.

Mr. Andrews. Let me say again before Elizabeth answers, I reject the premise of my own question. I don't think there is any evidence that suggests that there is a linkage between increased federal aid and increased tuition. But it is an argument we hear around here a lot, and we will hear around here a lot, as we get into the reauthorization. I want to hear your field expertise.

Elizabeth, did you want to comment on that?

Ms. Sengkhamee. Just in Wisconsin, we are also facing major budget cuts. And you are right, like I believe that the federal and state need to build a sound relationship, so that in working together, so that we don't have that problem that occurs.

Mr. Andrews. I appreciate that. One other thing I would ask the panel if they could submit in writing, since my time is up, is any creative ideas you may have on loan repayment strategies that are more flexible and more amenable to people's circumstances.

Inevitably, no matter what we do next year, people are still going to borrow a lot of money to go to school. And I would be interested in your input on that. Thank you. Thank you, Mr. Chairman.

Chairman Boehner. The chair recognizes the gentleman from California, Mr. McKeon.

Mr. McKeon. Thank you, Mr. Chairman. I apologize for being late. And I did have an opening statement I would like to have submitted for the record. I want to thank the panelists for being here, and for the members of the committee that have stayed to ask their questions.

OPENING STATEMENT OF REPRESENTATIVE HOWARD P. "BUCK" MCKEON,
COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF
REPRESENTATIVES, WASHINGTON, D.C. – SEE APPENDIX F

Now this year Congress did increase the maximum Pell grant to its all time high of \$4,000. And I have a chart here that shows how we have increased the Pell grant over the last several years.

I have one that is being printed that will be here shortly, showing how the cost of education has gone up much more rapidly. With the last question, I am not trying to tie the two together because, in the last reauthorization, or just before, we formed a committee to look at the cost of education. They also found that they could not correlate the two costs.

PELL GRANT HISTORY AND TUITION AND FEES CHARGED BY COLLEGE BOARD REGION CHARTS, REFERRED TO BY REPRESENTATIVE HOWARD P. "BUCK" MCKEON, COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. – SEE APPENDIX G

But I am concerned, what do you think are the things that are driving the costs up? Because we do know that the costs of education is rising much faster than the cost of inflation. What are those drivers that are pushing those costs up?

Ms. Lewis. Well, part of what is the cost at Paine College, of course, is the cost of technology, the cost of recruiting and retaining faculty, being able to operate our institutions in the economic medium in which we live. The cost of living is just escalating at a much higher rate.

But in order to remain competitive, and we certainly do everything we can to do that, we have to meet the educational expenses of operating an institution without putting those expenses on the backs of our students.

Mr. McKeon. You know, there was a comment made earlier about private colleges or universities costing much more. I happen to have attended a private university, which was sponsored by my church. And, actually, their costs have remained. They don't begin to go up like these other costs have. And I know you can't see this, but it shows how rapidly those costs have gone up. And I think the church has felt the importance of having education for as many people as possible.

And they have really worked to keep their costs in line. And they haven't experienced those same things. You talked about getting faculty and maintaining faculty, keeping that faculty. A lot of that faculty doesn't teach.

Ms. Lewis. Not at Paine College.

Mr. McKeon. And not in your school.

Ms. Lewis. No.

Mr. McKeon. But you know that across the country of over 7,000 institutions, that is one of the problems.

Ms. Lewis. That's true.

Mr. McKeon I believe the schools have to address that problem. They have to look at maintaining their costs and controlling their costs. We are not going to pass a law that is going to set the level of tuition.

But if tuition maintained a level, or even declined slightly, do you think that would have a major impact on enrollment?

Ms. Lewis. I wanted to thank you for saying what you did about the teaching part. That is not necessarily directly connected to your question, but the importance of teaching institutions. I mean no disrespect to the research institutions.

But at Paine College, for example, a full-time faculty carries four classes. And if you are a researcher as sort of what you do, in addition to teaching, there is a very high value on teaching at small privates like Paine.

And we also need some help in helping the general public understand the value of the teaching college, in comparison to the research institutions. They both have a function. But the teaching colleges that have their primary focus on teaching should continue to be valued as strongly as the research institutions.

If we lower tuition, then, of course, some of the costs that students are paying would also be lowered. We can't afford to lower tuition and still operate at the level that we are operating in. We have more to do, not less to do.

Ms. Garcia. If I might respond also to your question about why the college rising costs over the last few years. Another variable to consider is that of state appropriations. While every state will log the number of dollars that actually go to higher education, relative to total state budgets, and relative to costs of education, the percentage of state appropriations to state colleges has actually been reduced over the years, over the last 10 years.

If you look at particular states this current year, you are going to see that plummet even more dramatically. Elizabeth mentioned Wisconsin. There are several other states that are already beginning to ask. In Texas, for example, we have gotten a letter from our governor saying what if we cut you by five? What if we cut you buy ten percent? Tell us what you would do.

Now, in response also to how we are trying to cut costs, we have at UT Brownsville, for example, as part UT systems, an attempt to reduce costs and increase productivity. We have been on this path for as long as I have been there, for ten years, every year measure how much we are able to reduce costs and increase productivity, whether it is in how we enroll students, register them, or how we provide a service of actually teaching the class.

We have actually decreased our administrative expenses relative to our total budget, and we are one of the fastest growing institutions in the UT system. So I don't think, if you look at your public institutions, and I am not as familiar with private institutions environments, but where these students that we are talking about go, which is mostly your public institutions, whether it is community colleges in Texas, and what we have over 52 colleges?

I don't think you are going to see any intent there to be less productive. We are going to receive the bulk of these students, and we are trying to brace ourselves for the tidal wave. And so, we are trying to figure out how to do better with less.

Mr. McKeon. And if I could just take one more second. The chairman mentioned earlier about the importance of an investment in a college education. Even if you have to take out a loan, it is

probably better to spend it on that than a car that the asset value drops.

And just one thing I wanted to point out. In 1987, the average student graduated with an \$8,000 loan, and their interest costs were \$4200. That has now gone up to \$18,000. But because of the changes we have made on interest rates, they are still paying \$4200 in interest. So we have made real advance in the things we have done to try to cut the costs.

Thank you, Mr. Chairman.

Chairman Boehner. The chair recognizes the gentle lady from Michigan, Ms. Rivers.

Ms. Rivers. Thank you, Mr. Chairman. I believe that our focus today should be and must be on the financial requirements that represent, I believe, a barrier to many people in acquiring a college education. I just happen to have paid off my student loans this past January.

I was a Pell grant recipient every year I was in school, and s a Stafford loan recipient. I went to school with two small children, and I stopped and started throughout my career because of financial and other kinds of considerations. It took me 15 years to get seven years of education.

And while I appreciate the concerns that people have raised about mentoring, neither of my parents went to college. I did not have a mentor in high school. But I did not stress over that. I didn't spend a lot of time worrying about did I have a mentor; should I have had a mentor?

Even though I went to a tiny high school. There were 55 kids in my graduating class, the biggest class ever. Certainly, I was cognizant of the fact that other people had high school experiences beyond mine. But that was not a source of major anxiety.

The major anxiety for my whole time in college was how would I pay my tuition? How would I buy books? How would I make my fees? And I will I still have food on the table? It is not about mentoring. It is not about high school preparation. It is about money.

And I think if we try to persuade ourselves otherwise, we are fooling ourselves. And I am particularly concerned that as we have addressed this issue in the time I have been in Congress, most of the attention has really gone toward middle class families.

And I recognize that middle class families are struggling to deal with these costs. But we have seen an increase in tax credits. Most of that will not go to lower income families because they don't come up with the money in advance, pay the tuition, and get the money back on their taxes.

We talked a little bit about work penalties. And we find the most disadvantaged students in a real catch 22, where they can't improve their lot without penalizing themselves.

And, in Michigan, the state that I come from, we have a state incentive program through our Michigan Education Assessment Program, our standardized testing, that gives college money to those who score the highest on the MEAP test. And we know that on standardized testing there is a

direct correlation to family income and standardized test taking.

And so, again, we see money being directed mostly to middle class families. We do that as almost a matter of fact. But every year we have to duke it out in Congress for how much money we are going to put into Pell grants. And I don't understand it.

And maybe I have a perspective that is honed by what I had to do to get my education. But I really do believe that education is the antidote to just about every challenge that faces us.

And it strikes me that instead of arguing about whether Pell grants should go up by \$400, we should be really seriously addressing the cost of why we would write off a significant portion of our population because they can't put the money together to go to school.

And, again, I just want to say, as I started out, that I think if we try to persuade ourselves that access is fundamentally a problem of anything other than financial aid, I think we are really trying to just make it easier for us to sleep at night. We are not addressing the problem.

And I would like to hear from all of you about, I would be interested in your views on this middle class emphasis, and the fact that we seem to be finding more and more ways for middle class people to fund the cost of education while lower income people seem to be falling behind.

Ms. Garcia. I would be happy to begin that response. I concur. First, I congratulate you. Every commencement when someone walks across the stage, inevitably I will get someone that will say it took me 22 years, or it took me 17 years, but I finally made it.

I understand, and I congratulate you for that effort, and for your articulate and complete understanding of the issue. In response to whether or not, for example, tax credits would be a better place to focus, or committee, while cannot make specific recommendations, can tell you that the effect there is not as great as the focus that you see us trying to make here. And so, you are absolutely right.

Ms. Lewis. I thank you too for raising the question. To me, it is just obvious that we must always provide access to the underrepresented if we want to make America even stronger, if we want to address the needs that are all around us with people who are not granted access, that no matter what we do to help those who are somewhat along the way, we must never turn our backs on the people who haven't made it yet. And, of course, at Paine College, 90 percent of our population is made of students from families who wish to become middle class through education.

Mr. Gladioux. I agree with you. The lost revenue from the tuition, the Hope Scholarships Lifetime Learning Credits was estimated to be, I think, I don't know what the cost is; the cost estimates are now \$12 to \$15 billion. I mean that is far beyond Pell grant, the commitment to Pell grants, and other direct financial aid programs.

But, you know, the original Higher Education Act in 1965 had the language, "and that but for such aid, students would not be able to go to college." And I think that has eroded over these

past 30 years. It is more than just the tax credits.

I think as the demand for higher education, the importance of higher education has increased in the way it is perceived, the middle class have, they vote, and they are concerned about, they have anxiety about financing their children's education.

The federal government has been the pillar of access.

Ms. Rivers. And I am not suggesting that we shouldn't help middle class families.

Mr. Gladieux. Absolutely.

Ms. Rivers. I am just concerned that the focus has been primarily there, instead of across the whole strata of our society.

Ms. Sengkhammee. I definitely agree with that, too, and I feel that students from low-income families are often forgotten about. And, I mean, sure there is mentoring and there is other resources that determine whether a student goes to college or not. But I think the difference between students who go and don't go is definitely the access issue to the financial need, the money to afford college.

Chairman Boehner. I thank the gentle lady.

The chair recognizes the gentleman from Colorado, Mr. Tancredo.

Mr. Tancredo. Thank you, Mr. Chairman. I guess I really have an observation here more than a question, especially just in terms of the premises that have been established here in order for you to submit a report called "Empty Promises."

And I am concerned because of the implication of even the title of this to me is that maybe we have made promises to people, even through our actions, more through our words, perhaps, that could, or maybe should never be fulfilled.

And what I mean by that is this,, that Ms. Sengkhammee's testimony here today was a perfect example in a way of what I am trying to express. If I understood you correct, Ms. Sengkhammee, you came from a family that could not provide you financial support for your quest for higher education. So did I.

You are now attending the University of Wisconsin, is that correct? And but you wish that you had been able to go to some other school. If I again understood you correctly, you said there were other options that you wish you were able to actually exercise.

But you are, in fact, at the University of Wisconsin. And you are getting, I just judge from both your ability to communicate, and your own comments, that it is a good education.

Did someone promise you at school, or just in a societal sense, I mean did someone promise you the ability to choose any school that you wanted as a result of the panoply that was available to you?

Is that really the promise that you thought was made, that you could go to any school, any college in the United States of America if you wanted to?

Ms. Sengkhammee. Well, I don't really necessarily believe that promises were made because my first choice was a smaller campus, just because I wanted it to be more personal, and I thought the transition for me would be better. But I think the financial barrier was, you know, not about me.

Mr. Tancredo. Yes, I understand. I understand exactly what you are saying. I agree and believe me, there were a lot of colleges I wish I could have gone to, I could never afford to go to. I had to go to a junior college for the first two years, state college after that.

There were other options that I wish I could exercise, but I couldn't financially. But no one made me the promise, you see. That is the difference. That is what I am trying to get to here. This implies even that the promise is out there, that no matter where you want to go to school, no matter what your economic situation or circumstances are, you should be able to go there.

But that is simply not a promise anyone has made, nor do I actually think we should. And I worry about just the impression that this leaves, "Empty Promises." What is it that you think we have promised that we have not delivered?

I will tell you I believe that there is very few people in this country, if at all, frankly, who cannot go to college because of financial circumstances.

Now it may not be the college they want to go to. And it may be that they make a decision, just like we have described here, that, yes, I choose not to go to college because it is too expensive because I would rather do something else with my money.

Now that is true. I mean people make those decisions all of the time. But what kind of promise did we make here, that we have either broken, or that was empty to begin with?

Ms. Garcia. May I respond to that, sir? In the first couple of pages of our report, we lay out the premise, not that we invented, but that borrow from what Congress, and what the nation has said it wanted to promise to its constituents.

Beginning with the Higher Education Act of 1965, when Lyndon Baines Johnson signed it, the Act says, and I quote, "Means that a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 states and not be turned away because the family is poor."

And then followed by Richard Nixon in a special message to Congress on higher education in the '70s, "No qualified student who wants to go to college should be barred by lack of money."

Mr. Tancredo. To college. That is correct.

Ms. Garcia. "This has been a great American goal. I propose that we achieve it now."

So my response to you is that the premise that we began with was that the promise that had been made for higher education access, that says if you work hard, and you prepare to go to college, we are going to make sure that money is not the reason that you are not allowed to go, not to a private school. It is only 28 of those in the university.

Mr. Tancredo. But, Ms. Garcia, that is exactly what that first promise was. It didn't say to any public school. It said any school. And that is our fault. That was a stupid promise to make. It cannot be fulfilled, nor should it be.

But my point is that it can, and the second statement that you read, can be and is being fulfilled. You can go to college. It may not be the college that you ultimately wish to go to. It may not be the kind of education experience that you would like to have in the private small setting, or whatever, but you can go to college in this country.

Chairman Boehner. The gentleman's time is expired.

Mr. Tancredo. I apologize.

Chairman Boehner. The chair recognizes the gentle lady from California, Ms. Woolsey.

Ms. Woolsey. Thank you, Mr. Chairman. I would like to remind Mr. Tancredo that it is your president that has promised "to leave no child behind," and then I would like to point out that_

Mr. Tancredo. It didn't promise that everybody had to end up at exactly the same time.

Ms. Woolsey. And I would like to point out, Mr. Chairman, that if we want an example of what the benefits are of these programs, Lynn Rivers is it, our Congresswoman. You talk about paying back to the community, and giving back to society because she was invested in as a young woman and a young mother. She is our example. So we really ought not to have to say another thing about all of this.

But, Mr. Chairman, I would like to talk about a car loan and a student loan. First of all, people need cars to go to work. Now we know that. Second of all, we need to look at what a student loan and having to pay back somewhere between 10 and \$20,000 does when a student is looking at their career choices.

If we want children to see models and mentors and educators that reflect their background and who they are in diversity, then how can the teacher have a 10 to \$20,000 student loan and pay it off?

So my question and I am trying to make this into a question. My question would be: What are your students planning on doing? Are they able to go into some of the non-profits, into

education, and into careers where we need them drastically and still pay off their loans?

Start with you, Dr. Lewis.

Ms. Lewis. Thank you. I appreciate the comments and being able to turn it into a question. I appreciate that struggle. Paine College students are seeking careers according to their dreams and aspirations. Our focus, if I may, on what happens with those who have decided to go into the teacher education program.

We have an under representation of African-Americans in the teaching profession, particularly African-American males, and we have great pride at Paine College on having had a record of establishing teachers and administrators in the Augusta/Richmond County area from our school.

We celebrate that the superintendent of schools, currently the first African-American to be so in Augusta, is a Paine College graduate, and the first African-American president of Augusta Technical College is also a Paine College graduate.

Ms. Woolsey. Congratulations.

Ms. Lewis. I look at those students who are going to become teachers. They are, in most cases, some of those who have the \$20,000 loan when they graduate. They are entering professions that are not particularly high paying, although it is, in most cases, higher than their family incomes.

They are entering it having to repay their loans. So they enter with a struggle. If they do happen to buy a new car, or almost new car at that time, they have double the debt. They are doing it because they are committed, and they have had the opportunity to do what they wanted to do.

They chose Paine College because they thought it had something special. They made the decision to go to a private college with higher tuition, probably because we were true to them, or because we have a track record. They know that they perhaps could do it cheaper somewhere else.

They want to go there. That ties in with your question about choice. If the Pell grant, for example, were at the level that it could be, it would just make that choice better. And I think the promise is not so much that someone stood up and said, "you can go to any particular school by name"; but the promise is in this country if you are poor and you do right, you can make it. That is the promise. It is not the school by name. And the promise I think of our legislators and those in charge of budgets with our help is to do everything that we can do to make the financial support as high as it can be. That is the way I see it.

Ms. Woolsey. Dr. Garcia.

Ms. Garcia. Just to add one note to that. I have personally talked to many, many students who will decide to become an LPN, which is a one-year certificate program, because they don't think they can afford an associate degree or a baccalaureate degree to become a registered nurse.

I have talked to students who prefer, who have made a decision to become nurses and not go to medical school for the same reason, or students who want to go into engineering and technology with a two year degree, not being able to see beyond to the baccalaureate degree.

So, yes, ma'am, I think career choices, we see it on our campus every day, are related to what a student expects that they will be able to receive in aid, or for the abhorrence of and the fear of taking out loans that would be overwhelming for them.

Ms. Woolsey. Thank you.

Chairman Boehner. I thank the gentle lady.

The chair recognizes the gentleman from Texas, Mr. Hinojosa.

Mr. Hinojosa. Thank you, Mr. Chairman. I first want to compliment each and every one of the presenters. I think you all did an excellent job and, as some of the other folks have said, your information is very informative and helpful to us as we proceed.

I also want to compliment you and the individuals responsible for producing the report under discussion today. My first question is going to be addressed to Dr. Juliet Garcia. Dr. Garcia, you have a history of high quality accomplishments, and today is one more example of your brilliant contributions. And we thank you.

In our own state of Texas, our post-secondary institutions are supposed to accommodate 500,000 new students by the year 2015. The growth of students seeking higher educational opportunities in the Rio Grande Valley in South Texas is five times greater than throughout the state of Texas.

Given all of that background, Dr. Garcia, would you please give the committee your assessment and the implications of your report on the border communities, which you and I represent?

And include please in your response the impact that the Gear Up program is having nationally, and how it differs from the TRIO programs because there is a great deal of confusion amongst the 435 congressman, or at least some, thinking that that is a duplication of programs. And you and I know that is not.

So, with that, would you respond?

Ms. Garcia. Thank you, congressman. And please know how much we appreciate the fact that you are such a strong advocate for work force development, for higher education, and for access in total.

As you have described so well, what we feel in Texas is that tidal wave, or the baby boom echo as has been described in research; that is, the second tidal wave of students that are going to look a whole lot like Dr. Lewis, and like Elizabeth, and myself more than they are, excuse me, Mr.

Gladieux.

That baby boom echo is going to be more minorities, and it is going to be more female, and it is going to be poor. And so, while we feel the strain today of Pell not providing enough money per student, when we have that baby boom echo, then approach the need for distributing that Pell among even more students.

The strain is going to be hurtful beyond whatever we are feeling right now. And that is one of the reasons we are asking for immediate and continuous long-term strategies to increase Pell over time.

In response specifically to your question about South Texas, as you know, even our state comptroller, Carol Keelen Wielander, has just produced a report that says and affirms what we have heard for many years; that is, that the growth in the South Texas border region is going to be the fastest growth in the state of Texas. And it will grow by 232 percent over the next 30 years.

Our university, I mentioned earlier, is one of the fastest growing universities in the state of Texas. South Texas Community College that you helped dream and start, in fact, is the fastest growing community college in the state of Texas, also in the valley.

We are running as fast as we can. And we always had the sense of urgency. And I apologize if it comes across too strong sometimes, but the sense of urgency. And the sense of urgency is the community is growing faster than we are.

As fast as we grow, as efficient as we try to become, as we try to produce more with less, and our faculty teach four classes, and 30 percent of them teach five classes per semester. We still are not able to keep up with this tidal wave of need.

Now add to that a characteristic of the people in South Texas, and in many communities like this. We have half of the educational attainment rate today as the average state of Texas. That means already we start with a backlog of folks who have dropped out of school years ago, who would like to come back to school.

So we have a population that is just trying to get to average, and at the same time is growing faster than the population of the state of Texas.

So one final remark, if we do nothing to change that pattern, imagine what the state of Texas will look like. It will look like me, but it won't be one who is producing in the labor market. It will be a person who is draining the labor market.

It is not a producer. It is not propulsion of the economic growth of a state. There is an estimate that came out two years ago that said that if Blacks and Hispanics in the state of Texas went to college and succeeded at college at the same rate of the non-Hispanic white, we would have increased the economic growth rate of the state of Texas by two percent.

That is the strongest economic engine. High tech doesn't provide that kind of growth in one year. So our effort is to run as fast as we can knowing that the tidal wave approaches, and knowing that even if we continue at this pace, unless something drastic occurs in federal, state, and institutional policy, we won't end up successfully at the end.

Mr. Hinojosa. Mr. Chairman, I know that the time is beyond the five minute limit, but I would like to hear from Dr. Lewis, as how the committee sees the difference of Gear Up and TRIO, and how it is giving our minority children access to college.

Ms. Lewis. Well, through Paine College's participation in the TRIO programs, we have a marvelous relationship with high potential or potentially high potential students at an early enough age to get hold of them, to help them make decisions, to help them know what is available, to get them actually on a college campus to see that it is not a particularly foreign place, to get them pointed in the direction of higher educational access.

We have a terrific relationship between the participants in the Upward Bound program, for example, which go through the program for the number of years that requires almost all of them to go to college. We would like for all of them to come to Paine College. They don't all come. But because Paine College exists, they have a chance to interact with our faculty and our staff. They go right on either to Paine or to some other college. It is about 90 percent. And without that program, I think we would lose most of those kids.

Mr. Hinojosa. You said that that was the benefit of our TRIO program. What about the Gear Up program, which is only in its third year?

Ms. Lewis. Well, we are not interacting with Gear Up, so I don't have any comments about it.

Mr. Hinojosa. Could you answer that, Dr. Garcia?

Ms. Garcia. Yes, sir, if I might. I asked for our folks that are in Gear Up, as you know, we have one of the Gear Up grants, I said, "How do you know you're having impact?" And she said, "well, you know, we are only three years into this, and the real test will be do these students go to college eventually?"

And I said I still want to know how you know if it is having impact. She said to me, "here is how I can tell you it is." Other students that we are working with in the five school districts that we include in our Gear Up Program, she said the parents, in one case, of this one small group she was working with, she said almost half of the parents of the kids are back in college.

That was never the intent of Gear Up. That is an ancillary and wonderful effect. By having learned, they have gone to the programs that they have for parents to inform their own children about college. They have learned how you do it. They have met on our campus, et cetera. That has caused then behavior ancillary and very positive.

Chairman Boehner. The gentleman's time has expired.

Mr. Hinojosa. Thank you, Mr. Chairman.

OPENING STATEMENT OF REPRESENTATIVE RUBEN HINOJOSA, COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. – SEE APPENDIX H

Chairman Boehner. The chair recognizes the gentleman from New Jersey, Mr. Payne, for five minutes.

Mr. Payne. Thank you very much, Mr. Chairman. And I am glad I am last, because, evidently, you are giving more time to us at the bottom end. So I will certainly stay within my ten minutes.

Secondly, you know, it is my birthday today. So will you give me an extra two or three minutes?

Chairman Boehner. Mr. Payne, you shouldn't have told me that. This is your birthday song. It doesn't last too long. Hey!

Mr. Payne. I usually put my foot in it. But let me commend the panel. As a matter of fact, I would like to also commend the chairman for having a panel that, this is the first time under his leadership that I have had a panel that I agree with everyone.

So it is really an anomaly. It doesn't happen often. And I am sure it is probably the last time. It was probably done by mistake, or maybe it was done because it is my birthday. I don't know. But whatever the reason, I think it is great.

And I would like to commend the chairman about his becoming the chairman of this committee. His picture will one day be on the wall like these gentlemen, and that is quite an achievement.

And I say that because in many instances we go from the particular to the universal. And I don't think that is the best premise to do what Ms. Rivers, Ms. Woolsey; I could tell you some stories. And it is good that we have been able to make it.

But, in many instances, we find that people say, well, because I did it, you know, everyone should be able to do it. And I think that is, you know, that is why there is only one president at a time because 280 million people aren't going to be president.

And so, I think that we have to caution ourselves. And I think that the young lady who wanted to go to another university because of the fear, I think it was Elizabeth that you would do better in a smaller school.

Really I think the fear factor of going to a large institution is not so unusual. I don't think that the title, "Empty Promises," and that President Nixon made a stupid statement when he said everybody should go to college, I think it was a smart statement.

In fact, if we are able to bring everyone in, we become more productive. And I guess it is also good to be last because even the ranking member was very concerned about those 400,000 that don't go to college and wants the challenge that no one really knows why they don't go, and there is not enough information to empirically tell what the reasons are.

However, we know that only in the lower 35 percent, 35,000 and under, only 40 percent of the kids seek higher education; whereas, the 82,000 and above 85 percent go. So even if you take that by itself, you have to be a little slow not to figure that dollars have a little something to do. You almost are at a 90 percent level.

And so the question about promises, too, I think that in our preamble to the Constitution, we talk about we want to promote the general welfare, also provide for the common defense. And these are things that I think are promises made. And we are certainly providing for the common defense, which we should, \$360 billion a year.

But when we look at some of the promoting the general welfare education, and things of that nature, I think we are falling far short. Another thing I did want to mention is that the tax credit move is middle income. And I think that middle income needs relief.

However, it is hurting from the Pell grants because it is taking more money out of potential dollars to help education. But we find that that is a trend. We find that low-income people are run against these days. You don't run for them in most instances, and the earned income tax credit had doubled the number of investigations by the IRS. That is people who are under \$35,000. They doubled investigating those folks to try to catch the cheats, and reduced by 50 percent those in the very high-income bracket.

So we have a country that is sort of moving, I think, in the wrong direction. It is trouncing down on the guy at the bottom. And that seems to be a winning way these days.

I want to ask a question perhaps before my time runs out. And the Hope Program, for example, that is a Georgia program that has been touted, and you said it was good. However, I kind of wonder if any kid who gets a B average or so can go to any Georgia higher institution with this stipend from the state.

And what I understand is that many wealthy kids who would normally perhaps go out of state or go somewhere else are staying in Georgia and are using that taxpayer's money when they really don't need it because they are affluent.

And so, when you take a look at the Hope Program, which has been touted as being so great, if in the final analysis it would appear to me that lower income kids who have to maintain, they could go in any school they wanted to, but then they have to maintain that average coming from poor elementary schools, even though their B may not be equivalent to or wouldn't be a B if they were at another school that had a higher academic achievement. They are going to probably lose out as time goes on by not being able to maintain that level at the college.

And so, I guess my question is even though Hope is touted as a great thing, in your opinion, do you think it is the best thing for the state, or could there be some other way that it could be adjusted?

Ms. Lewis. Well, if I were going to be able to design the Hope scholarship, I would design it a slightly different way. I said that it was a great thing for Paine College. That is because 90 percent of our students are financial aid- dependent and from low-income families.

So what Hope does for us is anyone who has the grade point average also tends to have need. And so it is a very neat package for Paine College. And we do a better job with our Hope students than many other institutions, particularly, I think, because we understand the population, which is predominantly participating in it, and because we are a school that takes very special and personal care with students.

So, from our perspective, it works very, very well. I think though the guidelines for Hope, it would be good if they did give a higher percentage to students with financial need. But in addition to that, I think once you get in college, that your ability to keep Hope ought to be based on good progress, not necessarily maintaining a B-plus average. Lots of people that turn out to be academic superstars start off a little peculiarly in their freshman year, Shirley Lewis included.

So I think that the requirements are unrealistic in many cases, are too severe for what the outcome is intended to be, which is completion of college. And if I were shaping it, I would certainly give more to students who have financial need. But at Paine that is kind of not really an issue because of the kind of population we have.

Mr. Payne. Thank you and just one-half of a question. I saw you go and put your finger on the button. But Paine College, as a former teacher myself, I see that Paine College really puts out a lot of teachers, and I am sure the minority teachers. And statistics indicate that about 40 percent of elementary school children are going to be minority kids.

Ms. Lewis. Yes.

Mr. Payne. However, 90 percent of the teachers in our nation are not minority folks. And so I wonder if you had your way, what could you suggest about schools like yours, or how you could have a better impact on the overall number of teachers?

I think it is a great profession. Like I said, I did that for the first 10 years of my career and loved it. Is there anything you would suggest as a teaching college that attracts minorities, of course, to try to increase that number?

Ms. Lewis. Yes, the first thing that I would love to see happen for Paine College, and actually for all institutions, is enough financial support to enable our higher aspiring students, and our potentially high aspiring students to be able to give their primary attention to their academics.

What happens with students who do come from schools that perhaps do not have as strong a reputation as some others, or children who come from environments that are not environmentally

as nurturing as some environments are for some students? Those students need a lot. They need a lot of attention. They need a lot of direction. And we know historically from the existence of the Paine College and other schools like that that those students can turn out to be absolutely magnificent scholars.

With help, if they could focus on their academics, and not have to focus on a 40-hour job, or a 20-hour job, or \$20,000 loans, I think they would make better progress. And I also think schools, which produce students who will serve in at-risk communities; those schools should have extra incentives, no matter who comes. We could benefit greatly by having more support of that nature.

And I would also like to say two things. I won't sing. But I would like to say happy birthday. And you have a fabulous last name.

Mr. Payne. That is right. Thank you.

Chairman Boehner. Well, thank you, Mr. Payne. We appreciate your questions. Let me just say to the witnesses, thank you for your valuable input today. As we move toward our preparations for the reauthorization of the Higher Education Act next year, this information will be a great help to us.

Let me thank my colleagues for their interest in the hearing today, and their participation. And, with that, the committee is adjourned.

Ms. Lewis. Thank you. Thank you.

[Whereupon, at 12:50 p.m., the committee was adjourned.]

***APPENDIX A -- OPENING STATEMENT OF CHAIRMAN JOHN
BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S.
HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.***

**Opening Statement of John A. Boehner
Chairman
Education and the Workforce Committee**

**Hearing on Access to Higher Education for Low-Income Students: A
Review of the Advisory Committee on Student Financial Assistance
Report on College Access**

Tuesday, July 16, 2002

Good morning:

I want to welcome our witnesses here today and thank them for taking the time to come before this committee to speak on a very important topic – access to higher education for the students of this country, specifically low and moderate-income students and what barriers may be before them.

The basis for this hearing is the report recently released by the Advisory Committee on Student Financial Assistance entitled *Empty Promises - The Myth of College Access in America*. This report is a follow up to the report published in February of 2001 entitled *Access Denied*. Just the titles of these reports should give us reason to pause. *Access Denied* and the *Myth of College Access* is not the message we want to send to the citizens of this country. There is no more important issue than the education of our children and providing them an avenue to a better life.

This Congress and this Administration have a firm commitment to education. Our commitment is not just within the higher education financial aid programs, but also in elementary and secondary schools to provide a quality education to our children that prepares them to enter college or other postsecondary endeavors. There are many programs available now

to assist low and moderate-income students meet their goals, however, the Advisory Committee's report indicates that federal financial aid alone is not enough.

The question becomes what else should we in Congress do to ensure access and open the doors of higher education to all students? The question should also be what can colleges, universities and others do to assist in increasing access as well? There has been a substantial increase in college costs over time, which simply adds to the unmet need and financial barriers outlined in this report. According to the College Board, over the ten-year period ending in 2000-01, after adjusting for inflation, average public four-year college tuition and fees rose 40% with a 33% increase over the same period at private four-year colleges.

It is of great concern to me that at its maximum, an annual \$4000 Pell Grant, the highest maximum award in the program's history, along with other available aid, is not enough to allow a low-income student to cover the costs of tuition and fees at a public four-year college. This Advisory Committee report states that "on average, annual unmet need for low-income families at a four-year public college has risen to \$3,800." Unmet need, as I understand it, is the cost of college not covered by expected family contribution or student aid, including work and loans.

The report also indicates that students from low-income families have reservations about borrowing funds through student loans. While I can certainly understand that, it is important to note that according to the College Board, Bachelor's degree recipients earn 80 percent more, on average, than those with a high school diploma. Over a lifetime, the gap in

earning potential between the high school diploma and the BA degree or higher exceeds one million dollars. With the work done in the 1998 reauthorization and with the 2003 interest rate fix, interest rates have never been lower for student loans, and while I do not encourage the accumulation of vast amounts of debt, the Federal student loan program is a low-cost program that has assisted many students complete their education.

It is clear that access to higher education involves more than just financial aid. It is also clear that it will take the commitment of many - the federal government, state government, institutions and even the private sector - to open the doors of higher education to all who prepare themselves and want to attend.

It is important to discuss all of the issues that affect students and their access to higher education. I am looking forward to the testimony of our witnesses so we may identify specific strategies and proposals that can be reviewed to ensure access to higher education for all students and better understand what students go through when making decisions regarding higher education.

As this Committee prepares for the reauthorization of the Higher Education Act next year, this information will help lay the groundwork in the development of specific strategies to increase student access to higher education.

With that, I yield to my friend Mr. Miller for any opening statement he may have.

***APPENDIX B -- STATEMENT OF DR. JULIET GARCIA, PRESIDENT,
UNIVERSITY OF TEXAS AT BROWNSVILLE AND TEXAS SOUTHWEST
COLLEGE, BROWNSVILLE, TEXAS AND CHAIRPERSON, ADVISORY
COMMITTEE ON STUDENT FINANCIAL ASSISTANCE, WASHINGTON,
D.C***

WRITTEN TESTIMONY

OF

**DR. JULIET V. GARCIA, PRESIDENT
UNIVERSITY OF TEXAS AT BROWNSVILLE**

AND

**CHAIRPERSON, ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE**

**PRESENTED BEFORE THE COMMITTEE
ON EDUCATION AND THE WORKFORCE
UNITED STATES HOUSE OF REPRESENTATIVES**

**RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C.**

JULY 16, 2002

Good morning, Mr. Chairman and members of the Committee. I am Juliet García, President of the University of Texas at Brownsville and Chairperson for the Advisory Committee on Student Financial Assistance. I am pleased to testify today on the major findings of the Advisory Committee's most recent report entitled *Empty Promises: The Myth of College Access in America*. I request my entire statement and the *Empty Promises* report be included in the record.

Most Americans believe that all students have the opportunity to earn a college degree through hard work in high school and college. Yet, our Committee concludes that this year alone due to record-high financial barriers, nearly one-half of all college-qualified, low- and moderate-income high school graduates—over 400,000 students fully prepared to attend a four-year college—will be unable to do so, and 170,000 of these students will attend no college at all.

Over this decade, 4.4 million of these high school graduates will not attend four-year colleges and 2 million will attend no college at all. For these students, the promise of a college education is an empty one. For the nation, the loss of human capital will exact a serious economic and social toll for much of this century.

Our nation invests in student aid in order to ensure that the opportunity to attend college and attain a bachelor's degree does not depend on family income alone. Nevertheless, the financial barriers to a college education have risen sharply due to shifts in policies and priorities at the federal, state, and institutional levels, resulting in a shortage of student aid, and, in particular, need-based grant aid, as well as rising college tuition.

As a result, students from low- and moderate-income families who graduate from high school fully prepared to attend a four-year college confront daunting financial barriers with major implications for these students and the nation. For example, *Empty Promises* notes that:

- Families of low-income, college-qualified high school graduates face annual unmet need of \$3,800, college expenses not covered by student aid, including work-study and student loans. And the shortage in grant aid requires these families to cover \$7,500—two-thirds of college expenses at public four-year colleges and one-third of family income—through work and borrowing. Their peers from moderate-income families face similar barriers.
- These financial barriers prevent 48 percent of college-qualified, low-income high school graduates from attending a four-year college, and 22 percent from attending any college at all, within two years of graduation. Their peers from moderate-income families are hardly better off—43 percent are unable to attend a four-year college, and 16 percent attend no college at all.
- And as I mentioned earlier, shocking annual losses at the national level—this year over 400,000 college-qualified students will be unable to attend a four-year college and nearly 170,000 will attend no college at all—will produce staggering

cumulative losses of 4.4 million college-qualified students unable to enroll in a four-year college, and 2 million who are denied access to any college at all by the end of this decade.

But these losses represent only the tip of the iceberg. Many more students, such as high school graduates not meeting the admissions requirements of four-year colleges, who could pursue a bachelor's degree today by first enrolling at a community college, are blocked from doing so by prohibitive financial barriers. Moreover, many students who gain access to a four-year or a community college find it increasingly difficult each year to stay in college as a result of these barriers. Indeed, the work that they undertake to bridge the unmet need gap can actually reduce grant aid in subsequent years, raising financial barriers even higher.

Throughout the decade, as school reform and early intervention efforts expand the number of college-qualified high school graduates, scarce grant aid will be stretched even further and work and loan burden will rise above current levels. This will produce even larger national losses of college-qualified high school graduates, as well as wider income-related gaps in college participation and degree completion for the foreseeable future.

Without significant increases in need-based grant aid, this chain of events is irreversible. Reversing these trends will require a long-term commitment to increase grant aid at the federal, state, and institutional levels, strengthen the student aid programs, and, at the state and institutional levels, control college cost.

The upcoming reauthorization of the Higher Education Act of 1965 represents an opportunity to enact a comprehensive federal access strategy, by strengthening early intervention and student support programs at the state and campus levels, and reinvigorating the federal, state and institutional access partnerships, especially in the areas of grant aid.

Let me put this in more specific, personal terms. The average low-income high school graduate today, who is qualified to attend a four-year college, is facing a formidable financial challenge. At the typical public four-year college, grant aid will cover less than 1/3 of total college expenses; the other 2/3 must come from work and loans. That means the student and family must come up with over \$8,000 of a total of \$12,000 in college expenses. This constitutes over 1/3 of income for a low-income family. Given a financial barrier like this, it is not at all surprising that the educational expectations, plans, enrollment, and persistence to degree completion of low-income high school graduates fall far short of their peers who are better off financially.

For example, at my institution, the University of Texas at Brownsville, we serve a region that is over 90 percent Hispanic, with a median family income of about \$15,000, and an unemployment rate approaching twice the national average. Even though our costs of attendance are relatively modest, a serious shortage of grant aid, and the necessity to work and borrow heavily, make it nearly impossible for many academically qualified

high school graduates to attend full-time, on campus, immediately upon high school graduation.

The bottom line of this report is simple and straightforward. The most recent data are very clear as to how high the financial barriers really are, how college-qualified high school graduates are behaving, and how many will be lost over this decade. The question for all of us, and for the Congress in the next reauthorization, is this: Can we afford to let this happen? Can we allow what has been for most of us the gateway to prosperity and growth—a college education—to slip away from those high school graduates who have done what we asked them to do academically? Remember, today, we intervene in the lives of middle-schoolers, promising them that, if they work hard and prepare, they too will share in the promise of access to college. But how can we keep the promise of access for them tomorrow when we are failing to keep the promise of access for their older brothers and sisters today?

This is not a very encouraging message to deliver. But one that is important to deliver nonetheless. The challenge facing the nation is a very difficult one. Somehow, during the next reauthorization, we have to find the resources to reverse these trends.

In particular, closing income-related gaps in participation and degree completion will require substantial increases in grant aid. There is no magic bullet here, no “improved” financing strategy, which trades off work for loans, or vice-versa, that will solve this problem. Nor is the problem susceptible to more work and loan. That will clearly worsen the problem. Only an increase in grant aid will work.

The most promising approach to increasing grant aid is one that reinvigorates the federal-state-institutional access partnership. The long-term goal should be a K-16 policy that begins in middle school with a promise of financial access, and provides adequate financial aid through college for those students who graduate from high school academically prepared. While the federal government must take the lead, states and institutions must also do their part.

The Committee understands that the problem cannot be solved overnight. But, as a nation, we must make a new beginning in the upcoming reauthorization. We must commit to ensuring once again that the promise of access to college—perhaps the nation’s grandest vision—is not an empty one.

I would be happy to answer any questions you have about the report.

**APPENDIX C -- STATEMENT OF SHIRLEY A.R. LEWIS, PRESIDENT,
PAINE COLLEGE, AUGUSTA, GEORGIA**

STATEMENT OF
DR. SHIRLEY A.R. LEWIS
PRESIDENT, PAINE COLLEGE
BEFORE THE EDUCATION AND THE WORKFORCE COMMITTEE

July 16, 2002

Good morning Chairman Boehner and members of the Education and the Workforce Committee. I am pleased to be here today to share with you Paine College's viewpoints on the findings in the recently released report, *Empty Promises: The Myth of College Access*. Let me also recognize my Representative from the 10th District of Georgia and a member of this committee, the Honorable Charles Norwood.

As one of this nation's 105 historically black colleges and universities (HBCUs) and one of the 39 United Negro College Fund (UNCF) member institutions, Paine College has been a collegiate preparatory resource for the African American community and this nation since its founding. Paine College was founded in 1882 to train Negro teachers and preachers so that they might, in turn, appropriately address the educational needs of the people newly freed from the evils of slavery.

From these humble beginnings, Paine College has evolved into a fully-fledged, regionally accredited liberal arts college with five academic divisions: business administration; education; humanities; natural sciences and mathematics; and social sciences. Through these cohesive and collegial divisions, Paine College seeks to prepare its students and its faculty to embrace and expand the Paine College legacy of achievement.

The result of this objective has been very positive. Paine's tradition of excellence is reflected in the accomplishments of its graduates. Included among the colleges' distinguished alumni are:

- Dr. Mack Gipson, First African American to obtain the Ph.D. in geology and a consultant to NASA
- Dr. Shirley McBay, First African American Dean at M.I.T.
- Bishop Woodie White, Chair of the United Methodist Council of Bishops
- Bishop Nathaniel Linsey, Senior Bishop of the CME Church
- Ten College Presidents including Clark College, Knoxville College, Miles College, Paine College, and Texas College.

Students come to Paine College from varied backgrounds. Some students enter Paine with the college preparatory courses, standardized test scores, and family experiences, which under gird their further success at the college. Other students come to Paine lacking some of the above criteria but with something in their profiles, which strongly suggests to Paine College personnel that they can succeed given the appropriate opportunity. We know from past experience that we can nurture and guide the high potential student who might otherwise never attempt college.

What Paine College and its sister UNCF institutions share, in terms of our mission, are a commitment to enrolling and graduating low-income students from underserved populations – many of whom are the first in their families to attend college. Because these students come to our campuses often without the social and educational advantages of other college bound

populations, we work intensely to level the playing field for them as we continue pursuing educational excellence. The most important means by which Paine College fulfills this commitment is by helping students meet the costs of paying for college – the most important point articulated in *Empty Promises*.

Our students are very aid dependent: over 90% of Paine College students, the same percentage as UNCF students overall, receive some form of Federal financial assistance. 690 of Paine's total 888 students this past academic year were Pell Grant recipients – 77.7 % of our student population. 290 or 42.0% of these students receive the maximum award. The average Pell award received by Paine students is \$3300.

Student loans constitute the second most important factor in how students finance their education at Paine College. 671 Paine students receive subsidized Stafford Loans while 371 receive unsubsidized Stafford Loans. Low-income students are very dependent on loans to pay college costs - - eight out of ten African American students who earn a baccalaureate degree accrue an average student loan indebtedness of \$13,000. A graduating senior from Paine leaves our campus with an average debt burden of \$20,750. This compares to the estimated average \$19,000 debt burden of all UNCF students as loans have replaced grants over time.

In addition, 131 Paine students receive the Federal Supplemental Opportunity Grant (FSEOG). 395 Paine students also benefit from the Federal Work Study Program. On average, Paine work-study students work the maximum 20 hours a week. The sad reality is that these

very students who can ill-afford to take additional time away from their studies would not be able to pay for college without working in addition to their other financial aid. This point was underscored in *Empty Promises* as the trade off of access for persistence.

- Take for example a current sophomore living on campus, a Georgia State resident, whose mother died while she was in high school and her father a few years earlier. This student had \$2050 in unmet financial need this past academic year and has depended on the monetary assistance of family and friends to fund her indirect costs.
- There is also the advanced freshman from out of state with \$3244 in unmet need. Not only was he unable to meet his direct and indirect costs for the past academic year, his parents were not credit worthy; consequently this student received the maximum federal subsidized and unsubsidized student loans. Still, he owes \$4425.

I am deeply concerned as a President of a small private college about both the increasing debt burden imposed upon our students and the ever-increasing unmet need facing Paine and other low-income students, a sentiment shared in the report *Empty Promises*. For example, at Paine College – as at all UNCF member institutions – we not only try to keep costs low, but also try to package financial aid in a way that covers all of a student’s tuition, room and board, and mandatory fees (i.e., direct costs). No matter how we package aid for our low-income students, we are able to only cover 81% of a student’s direct costs. I hope that the Committee will keep in mind that this does not include all costs associated with cost of attendance for Paine students – such as transportation to and from school, clothing, etc.

Moreover, given also that 30 to 35% of Paine College students are from out of state, these students have an even wider unmet need gap with no state aid available to them, as evidenced in the example I provided to you.

At Paine, as I know is the case for many HBCUs, once we have enrolled these students and they are under our guidance, we are able to accomplish all that we have with low-income, first generation students for another key reason. HBCUs are known for their nurturing and supportive environments. Paine and other HBCUs are proof that adequate financial aid when coupled with quality student support services increases student retention and graduation from college – a fact that many education experts are now beginning to recognize.

Paine College is fortunate to participate in two TRIO programs - - the only real federal initiative that focuses on access and persistence. This past year, Paine received a supplemental student support services award to provide additional grant aid to Pell Grant students in the TRIO student support services program. As a result, our aid administrators were able to provide packages that reduced loan indebtedness to 12 eligible students, one of whom was able to cancel their student loan for the academic year. Nonetheless, the remaining 11 students still had a total combined student loan debt of \$43,800 for the academic year even after the additional grant aid was provided.

What this underscores is the important need and connection between adequate grant aid and academic persistence. I believe that institutions like Paine College ought to be

guaranteed a federally funded TRIO student support services program. The federal investment in the Pell Grant program, and the students who utilize these funds to enroll, must be reinforced by quality student support services programs. This point is also expressed in *Empty Promises*.

Let me be very clear - - adequate student financial assistance is fundamentally the most important element to ensuring access for low-income students. When combined, however with appropriate and strong student support services, you have a winning plan for student access and success.

Mr. Chairman and members of the Committee, there is no more important partner in Paine College's - or any of the HBCUs -- mission to provide excellence and equal opportunity in higher education than the Federal Government. Therefore, we welcome the Administration's leadership in making HBCUs a priority in partnership with Congress in order to realize the full potential of our institutions and to meet the academic needs of the students we serve. Compared to other colleges, private black colleges have very small endowments and cannot fallback on sizeable numbers of wealthy alumni. In spite of this our institutions have accomplished much. And given the demographic changes taking place in this nation, investing more in HBCU students is, in actuality, about the future prosperity of this nation. It makes sense then that Congress maintain a leadership role in reaffirming support of low-income, first generation students like those on HBCU campuses - a position that is consistent with the world's changing demographics and necessary to secure our nation's interests at home and abroad.

Thank you Mr. Chairman for the time you have given me to present these views. This concludes my testimony.

**APPENDIX D -- STATEMENT OF LAWRENCE E. GLADIEUX,
EDUCATION AND PUBLIC POLICY CONSULTANT, POTOMAC FALLS,
VIRGINIA**

LAWRENCE E. GLADIEUX
Education and Public Policy Consultant

Statement
to the
Committee on
Education and the Workforce
U.S. House of Representatives

Hearing on Access to
Higher Education for Low-Income Students:
A Review of the Advisory Committee on Student Financial
Assistance Report on College Access

July 16, 2002

My name is Lawrence Gladieux. I am an independent consultant doing policy research in the area of higher education.

Chances of a college education remain sharply unequal in America. Students from families of low and moderate income attend and graduate from college at much lower rates than middle- and upper-income students.

The question is why. More importantly, what needs to be done to close these gaps in access and opportunity?¹

THE PROBLEM OF AFFORDABILITY

The Advisory Committee on Student Financial Assistance has documented the financial barriers facing low-income students, in particular the unreasonable levels of unmet need, borrowing, and work undertaken by many of these students if they pursue higher education. I share the Advisory Committee's sense of urgency and fully support the recommendations contained in its latest report, *Empty Promises: The Myth of College Access in America*, to expand need-based financial aid, grant aid in particular. Tuition and aid trends over the past decade have fallen hardest on those with the least ability to afford postsecondary education. By under investing in human capital, not only do we deny the American promise of

¹ This testimony draws on a paper I have prepared for the Century Foundation on low-income students and the affordability of higher education (forthcoming 2002). Portions of this statement are also based on an article, "Financial Aid Is Not Enough: Improving the Odds of College Success," coauthored by my colleague Scott Swail and published in the *College Board Review* (Summer 1998). I have provided reprints of this article to the Committee.

opportunity for many of our citizens—we shortchange our country’s economic future.

Student financial aid remains as important as when the Higher Education Act was passed in 1965—aid that is targeted to students with the fewest resources and delivered as simply and predictably as possible. Historically, the federal government has exerted enormous leadership in leveling the playing field in higher education. Today federal programs generate three quarters of all available student financial aid.

But the focus of federal policy has gradually evolved from helping students who “but for such aid” would not be able to attend college, to relieving the burden for those who probably would go without such support. This shift is reflected most dramatically in the Taxpayer Relief Act of 1997, which created tuition tax benefits for middle- and upper-middle-income families while offering little to those on the lower end of the economic scale who have insufficient tax liability to benefit from tax breaks.

As suggested in the *Empty Promises* report, the entire financing system seems to be shifting away from need-based principles. Not only has federal policy shifted, but many states have enacted tuition tax credits and deductions and are investing more heavily in non-need merit scholarships as well as college savings and pre-paid plans oriented to middle-income families. And the colleges

themselves have increasingly turned to merit-based aid and preferential packaging often not based on need.

The most persuasive evidence that we have yet to solve the affordability problem is data from the Department of Education showing that, at all levels of academic achievement, less affluent students attend college at rates considerably lower than more affluent students. In fact, a student from the highest socioeconomic quartile and the lowest tested-ability quartile is as likely to have enrolled in college as a student from the lowest socioeconomic quartile and the highest ability quartile. More colloquially, the dumbest rich kids have as much chance of going to college as the smartest poor kids.

THE ROOTS OF UNEQUAL OPPORTUNITY

This is not to say, however, that removing financial barriers can be our only focus if we are to equalize college opportunities. Much more is involved. We need complementary strategies.

Many factors influence an individual's chances of enrollment and success in higher education: prior schooling and academic achievement, the rigor and pattern of courses taken in secondary school, family and community attitudes, motivation and awareness of opportunities, campus environment and support – as well as ability to pay. For low- and moderate-income students, affordability is

intertwined with a host of other variables rooted in culture, environment, and social conditions.

The problem of unequal opportunity has proved more intractable than anyone anticipated in the early years of the Higher Education Act. As originally conceived, federal student aid was meant to send an early signal to young people and their families that college was a realistic goal. Sponsors of the Pell Grant in particular hoped that the promise of aid would have a powerful motivational effect.

Today's student aid system falls short of such visions. This is not to say that aid programs have failed, only that too much may have been expected of them. In their book, *Beating the Odds: How the Poor Get to College*, Arthur Levine and Jana Nidiffer conclude that "financial aid is a necessary but insufficient condition" for equalizing college opportunities.²

Of all the variables that influence who enters and who succeeds in higher education, aspirations and academic preparation are the most powerful. And the groundwork must be laid early. "By the time students reach the twelfth grade, it is too late to increase the numbers of students who are ready for college," according to research by Laura Rendón. "In fact, it could be said that students begin to drop out of college in grade school."³

² Arthur Levine and Jana Nidiffer, *Beating the Odds: How the Poor Get to College* (San Francisco: Jossey-Bass, 1996), 143.

³ Laura I. Rendón, "Access in a Democracy: Narrowing the Opportunity Gap" (unpublished paper presented at the Policy Panel on Access, National Postsecondary Education Cooperative, September 9, 1997), 7.

If students expect to go to college, they are more likely to take the necessary steps to make it happen. And the most important step is taking the right courses. Research has repeatedly shown that students who take rigorous, progressively more challenging coursework through high school are far more likely to plan for, enroll in, and graduate from college. In his analysis of the Department of Education's longitudinal studies on high school seniors, Clifford Adelman says the answer to who finishes bachelor's degrees and why is always the same: those who were best prepared, regardless of race, income, or financial aid.

For many students the data suggest that the die is cast by the eighth grade. Students without the appropriate math and reading skills by that grade are unlikely to acquire them by the end of high school. One of the most publicized gatekeepers in the secondary school curriculum is course taking in mathematics. A study by the Department of Education found that "high school students who take algebra, geometry, and other rigorous mathematics courses are much more likely to go on to college" than students who do not take such courses.⁴ The early course taking sets the pattern. Sixty percent of students who completed Algebra I by the end of the eighth grade took calculus in high school.

Nearly all eighth graders say they expect to go to college. Even low-income students overwhelmingly envision postsecondary education in their future.

⁴ *Mathematics Equals Opportunity* (Washington, D.C.: U.S. Department of Education, 1997), a White Paper prepared for U.S. Secretary of Education Richard Riley.

Aspirations, however, must be acted upon. Almost all high-income students meet their expectations, yet only two-thirds of low-income students do.

The problem is that the course-taking patterns of low-income and minority students make it difficult for them to meet their expectations. As a result, they are left less well prepared, on average, than higher-income, majority students. Tracking policies, school resources and quality, and social conditions and expectations all play a part in creating these disparities.

Whatever the roots of the problem, the stark reality is that 53 percent of low-income high school graduates are considered qualified for college, compared to 86 percent of high-income students, according to a college-qualification index developed for the National Center for Education Statistics. And by the same index, just 47 percent of African American students and 53 percent of Hispanic students are judged qualified for college, while 68 percent of white students are qualified.⁵

Based on the same index, among high school graduates who actually enrolled in a four-year institution, fewer than half of low-income students were judged to be highly or very highly qualified, compared with two-thirds of high-income students. Twenty-nine percent of African-American and 44 percent of

⁵ MPR Associates, Inc., of Berkeley, California, developed a four-year college qualification index for NCES based on high school GPA, senior class rank, NELS 1992 aptitude test, SAT and ACT scores, and academic course work. The index is used in *Access to Postsecondary Education for 1992 High School Graduates* (U.S. Department of Education, 1997).

Hispanic students were similarly qualified, compared with 61 percent of white students.

Two problems are evident in these data: low-income and minority high school graduates are less well prepared in general, and a significant percentage of those who do enroll in a four-year institution may not have the academic tools required to succeed. Unfortunately, these students may be set up for disappointment.

K-12 REFORM AND EARLY INTERVENTION

The easy thing to conclude is that we need comprehensive school reform to raise performance levels and to reduce the disparities in academic preparation documented above. And we do. Some form of state and national standards is surely needed to set clear benchmarks of what students should know and be able to do. Current expectations are often too low. I noted above that students who took algebra and geometry were much more likely to take high-level courses and enroll in college. Yet only 28 states require algebra and geometry for high school graduation.

But standards alone will not raise the achievement levels of low-income, African-American, and Hispanic students. Safety nets must be put in place to ensure a supportive environment for learning. Neither, surely, can all the problems

of educational failure be laid at schoolhouse doors. What happens to kids during non-school time is at least as important as what happens in school.

For the long haul, let's hope that state reform efforts, the "No Child Left Behind" legislation that this committee helped to enact, and all the energy being poured into school improvement across the country will effect change and benefit generations to come. In the near term, however, I submit that we need direct outreach to more of the current generation: intervention programs that make a difference in the lives of young, disadvantaged children—widening their horizons and encouraging them to stay in school, study hard, take the right courses, and keep their options open.

Research and experience tell us that when these students beat the odds by enrolling and succeeding in college, the critical difference can often be traced to a particular individual -- someone who served as a role model or otherwise sparked a sense of possibility for the future. As Arthur Levine and Jana Nidiffer suggest, getting poor people prepared and into college "is retail, not wholesale, work in the sense that it requires intensive involvement with individuals." According to their case studies, the "recipe for getting to college is mentorship -- one arm around one child. What mattered most is not carefully constructed educational policy but rather the intervention by one person. Sometimes the mentor was a loving relative;

other times it was someone paid to offer expert advice. In either case, it was the human contact that made the difference.”⁶

Scores of early intervention and mentoring programs have developed across the country. Twenty years ago, Eugene Lang started a movement with his “I Have a Dream” promise to 60 East Harlem sixth graders that he would pay their college tuition if they graduated from high school. Today Lang and other philanthropists are investing considerable wealth and personal commitment in such programs, including not just the tuition guarantee but also the critical mentoring, counseling, tutoring, and other support needed to keep students from falling between the cracks. Many of these programs are successful, but for the millions of young people whose life chances are dim and might be lifted by an “I Have a Dream” or similar program, the movement is almost like a wheel of fortune. A youngster must be lucky enough to be in the right city, the right school, the right classroom.

The challenge for public policy is to leverage such programs that work to a vastly larger scale. Upward Bound, Talent Search, and other so-called TRIO programs have been a companion to federal student aid policy since the Higher Education Act was first enacted in 1965, providing information, outreach, counseling, encouragement, and academic support for students from the lowest socio-economic levels. Annual TRIO appropriations have grown over the years to

⁶ Levine and Nidiffer, 65, 139.

more than \$800 million, yet these programs are estimated to serve less than five percent of the eligible student population. And only a small proportion of TRIO services is dedicated to working with kids and their families at middle school or earlier. The new GEAR UP program reflects a growing recognition by public policy makers of the need for intervening early.

STUDENT PERSISTENCE AND COMPLETION

Just as we need to reach kids earlier, we need to do a better job helping students once they have enrolled in college to persist and complete their degrees. Getting students in the door is not good enough. Along with young people who do not finish high school and those who stop their education with a high school diploma, postsecondary non-completers may fall into what has been called “the forgotten half” of America’s youth and young adult population.⁷ In fact, some of these students may be left worse off if they have borrowed to finance their studies — increasingly the case for low-income students—and do not complete their programs. They leave college with no degree, no skills, and a debt to repay.

The TRIO programs provide support here. But we need to direct more attention and incentives at persistence among students who are economically and academically at-risk. Public policy has done a fairly good job facilitating initial

⁷ See Samuel Halperin, ed., *The Forgotten Half Revisited* (Washington, DC: American Youth Policy Forum, 1998)

entry into the system. We need to do a better job promoting persistence and completion.

RECOMMENDATIONS

The invitation I received to testify today asked me to suggest effective ways to increase college attendance and completion rates of low-income students. I have offered my two cents on K-12 reform and shall defer any further thoughts to experts in that field. The roots of unequal opportunity are deep, and we are talking about a complicated equation of social policy and human behavior. We are also talking about a question of political will. In this rich nation of ours, surely we can find the ways and means to make good on the American promise of equal educational opportunity.

As the Advisory Committee has suggested in *Empty Promises*, we need to summon a renewed spirit of federal-state-institutional partnership to equalize college opportunities. Below are my recommendations for the federal government, the states, and the colleges.

The Federal Government

Keep the focus on helping those with the greatest need. The whole student aid system seems to be tilting toward cost relief for the middle and upper-middle class. The federal government should reassert its leadership in fostering need-based aid and outreach to disadvantaged populations.

Link financial aid with early guidance and mentoring. The most successful intervention programs in the private sector combine the tuition guarantee with the other kinds of support needed to keep students on track. As recent experience with GEAR UP suggests, making this linkage on a large scale in a government program is not a straightforward proposition. But I urge Congress to persist in supporting such efforts.

Fund the TRIO and related outreach programs as a formula-based proportion of federal student aid appropriations. Fiscally and politically, I realize this may not be practical in the context of the federal appropriations process. But I include it to underscore the importance of linking financial aid and outreach efforts.

Publicize the aid programs and make them accessible to those who need help the most. Middle-class families tend to be better informed and more aggressive in using the system, while lower-income families not only overestimate the price of college, but often do not know how much help is available and how to get it. Information and outreach are especially important where high school guidance resources are inadequate.

Restore the purchasing power of Pell. The most straightforward action the federal government could take is to restore the promise and purchasing power that Pell Grants once represented for low-income students. The constant-dollar value of

the maximum Pell was at its peak in the late 1970s. Based on changes in cost of attendance since then, restoring the value of Pell would require a maximum in the \$7,000-\$8,000 range, which in turn would require a \$12-\$15 billion boost in annual appropriations. (As it happens, this is roughly the amount of estimated annual revenue lost to the U.S. Treasury as a result of the Hope and Lifetime Learning Tax Credits).

These numbers are far outside the incremental frame of reference of current budget discussions. But this is what it would take to make Pell the powerful building block for low-income students it was intended to be. And, it should be noted, the more dollars invested in Pell Grants, the more help the program is able to offer, not only to the neediest students, but also to moderate-income students who are now just out of range of Pell eligibility.

Make the Pell Grant an entitlement program. Tuition breaks written into the tax code amount to a new entitlement for middle- and upper-middle-income citizens. Pell Grants compete for annual appropriations, and real increases will not come easily under prevailing budget constraints. Neither will the idea of creating a new entitlement program in the federal budget. But in fairness, and in anticipation of the increasingly diverse cohort of young people who will be coming of college age in the next decade, a Pell entitlement is what we ought to have.

Promote student success, not just access. Access has been the touchstone of federal student aid policy for the past three decades. Future efforts should identify strategies that not only facilitate initial entry into the system, but also give students a better chance to persist and complete their programs, especially for students who are financially and academically at risk. One approach would be for the federal government to provide financial incentives to institutions that enroll, aid, and graduate low-income students. Another approach would be regulatory: Make effective academic support services a condition of institutional participation in the federal aid programs authorized by Title IV of the Higher Education Act.

Provide an antitrust exemption for colleges to agree on need-based policies. Current law allows colleges that maintain strictly need-blind admissions policies to confer and agree among themselves on assessment of need without danger of antitrust violation. This exemption should be widened to give colleges an open field for drawing up agreements that will help focus scarce aid dollars on students who actually need aid to assure their access and choice of institution.

Encourage responsible student borrowing and ease repayment burdens. As the principal sponsor of student loans, the federal government should build coalitions of schools, colleges, lenders, loan guarantors, and state agencies to curb unnecessary borrowing and help students manage debt. Students need help in evaluating how much they should borrow based on their career interests and

potential ability to repay. And borrowers going into repayment need to be reminded that there are flexible repayment options, including extended, graduated, and income-contingent repayment plans.

Establish a lifetime learning trust for low-income children. A form of this idea was considered during debate on the Taxpayer Relief Act of 1997. The government would set up a nest-egg account on behalf of each low-income child and pool the money in an investment fund; corporations, private donors, states, and families themselves could chip in, too. The plan was proposed as a counterpart to the education IRAs and other savings incentives that were being enacted for middle- and upper-middle-income taxpayers. The proposal died. It should be revived. The college savings industry is booming. Federal and state tax incentives for college savings are now substantial, and they are having a constructive impact. Savings are so important to people feeling that they have a stake in our society and economy – and in their own future. But not everyone has money to set aside. We should find a way to extend the wonders of compound interest to all citizens.

The States

States have widely divergent policies on tuition pricing (for public institutions) and financial aid (for students in both public and private institutions). Whether they lean toward low tuition across the board or “high-tuition/high aid,”

states bear a primary responsibility for assuring broad access to higher education.

States should:

Expand efforts to help at-risk students in middle and secondary school prepare for postsecondary education. For example, in the wake of Proposition 209, which eliminated affirmative action programs in California, the state has increased its investment in early guidance and outreach in an effort to pursue the same broad goals of access and campus diversity. All states need to make deeper and wider commitments in this area.

Emphasize need-based aid over no-need merit scholarships and tax-advantaged tuition financing. The best and the brightest students have long been sought after by colleges and handsomely rewarded with subsidies, direct and indirect. And they always will be. State no-need merit scholarships do not by and large expand access. Neither do state tuition tax incentives.

Keep need-based student financial aid in step with tuition increases. Too often, tuition and fees end up as a filler or balancer in the state budget process, and too often student financial aid is an afterthought. Policy makers need to look at these interrelated decisions and establish linkages among them in relation to state policy goals. Leave aside theoretical arguments about full-cost pricing versus low tuition, the fact is that tuition is going up faster than the CPI and family income in

most states. If student aid does not keep pace, college opportunity for less affluent students will surely suffer.

The Colleges

Individual colleges caught up in a highly charged competition for survival and/or academic prestige may not feel they have many degrees of freedom in today's market for postsecondary education. Yet their actions and policies are crucial to promoting broad access to higher education. Institutions should:

Invest more heavily in early guidance efforts and partnerships with K-12 schools. It's in the enlightened self-interest of postsecondary institutions to expand the pool of potential applicants who are qualified for college. Reaching out to help motivate and prepare at-risk students is a long-term investment that will pay off for higher education and for the nation.

Do a better job of containing costs and prices and explaining them to a skeptical public. Students and families do not believe that colleges are doing enough to curb the tuition spiral. The National Commission on the Cost of Higher Education said the feds should stay out of these matters, and they should, but colleges need to make their finances more transparent.

Award the bulk of their own financial aid on the basis of need. Institutional aid should go to academically qualified but financially needy students, not those who can afford to pay without assistance.

FINANCIAL AID IS NOT ENOUGH

I closing, I return to my theme early in this testimony: financial aid is a necessary but insufficient condition for achieving the goal of equal opportunity. Access is not enough, nor is financial aid. To lift student aspirations and readiness of students for postsecondary education, complementary approaches are required. In sum, we need a much wider and deeper societal commitment to reaching, motivating, and preparing low-income students for college — AND assuring that price is not a barrier.

Thank you, Mr. Chairman, for inviting me to address these important issues. I shall be glad to answer the committee's questions.

Committee on Education and the Workforce
Witness Disclosure Requirement - "Truth in Testimony"
 Required by House Rule XI, Clause 2(g)

Your Name:		
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the committee).	Yes	No <input checked="" type="checkbox"/>
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:		
(Spring 2001) Honorarium for paper on Federal student aid prepared for Advisory Committee on Student Assistance (Fall 2000) subcontract work on student loan default reduction for U		
3. Will you be representing an entity other than a government entity?	Yes	No <input checked="" type="checkbox"/>
4. Other than yourself, please list what entity or entities you will be representing:		
NA		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4:		
NA		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1999, including the source and amount of each grant or contract:		
NA		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list:	Yes	No
NA		

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Signature: J. E. Deady Date: 7/12/02

Please attach this sheet to your written testimony.

***APPENDIX E -- STATEMENT OF ELIZABETH SENGKHAMMEE,
STUDENT, UNIVERSITY OF WISCONSIN AT MILWAUKEE, MILWAUKEE,
WISCONSIN AND MEMBER, U.S. STUDENT ASSOCIATION,
WASHINGTON, D.C***

**United States Student Association**1413 K St. NW 9th Floor

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<http://www.usstudents.org>**Testimony of Elizabeth Sengkhammee****U.S. Student Association Member****Before the House Education & the Workforce Committee****July 16, 2002**

Good Morning. My name is Elizabeth Sengkhammee and I am a student at the University of Wisconsin at Milwaukee and a member of the United States Student Association. USSA is the nation's oldest and largest national student organization. Since 1947, we have worked to expand access to higher education, because we believe that education is a right for all, and not just a privilege for a few. The release of "Empty Promises" a report on college access in America has brought student financial aid to the forefront. We are pleased that you have asked for our input. Students will be directly affected by the decisions made by congress on financial aid programs. On behalf of all the students that receive a form of financial aid and those who expect to receive it in the future, I thank you for this opportunity.

This fall, I will be senior at the University of Wisconsin Milwaukee, majoring in community education. I was the Vice President of the student government in 2001-2002. Upon my

graduation in May, I hope to study in Thailand for a year. Afterwards I would like to attend Law School. My obstacles in life have shaped my dreams to create equality for all people.

I am here this morning to talk to you about my experience entering college and what factors went into my decision. My parents were born in Laos and entered the United States in 1979. My father was a fifty-year-old Vietnam War veteran, and my mother was forty years old when they came here to the United States. They had no money and most of all no education. As refugees of the Hmong peoples' involvement and sacrifice in the secret war during Vietnam, they found a home in America. Adjusting to a new culture was just half the battle; the other half was living in a world with misunderstanding and racism. With no education and no knowledge of the English language, my parents used what they did have; heart, spirit and dedication to give their children the strength and support that they needed.

I grew up with my five sisters and two brothers in Pulaski, Wisconsin. My younger sister and I were born in America; the others were born in Laos and Thailand. Going to college was not something we thought of as a reality. I wanted to change that so I independently applied for scholarships, schools, and financial aid. Applying for school was already an uphill battle. My parents were not equipped to

help with all the applications and questions I had. As a first generation college student growing up, I was not like the other teenagers. I could not ask my parents about college. With a little help from my older sister and high school counselor, I made it through the application process and changed my family's future. I was accepted to many institutions, one of which was a private women's college in Milwaukee. This was a dream come true. I also received a scholarship to attend the school. This accomplishment was soon taken away when I realized that the cost of this institution was too high. Even though it had everything, I wanted in a school such as, a smaller and more personal campus, it was not a possibility. I was nervous about going to college and a smaller campus would have created a smooth transition for being a first generation student.

I now attend the University of Wisconsin at Milwaukee. My choice has created different experiences that I appreciate; however, that choice was made because of financial barriers. I had to be realistic when it came to my finances and ability to pay for my education. The high cost of education was a factor in my search for a post-secondary institution.

Financial aid was also a deciding factor in my ability to attend college. I am a current recipient of the Pell grant and I received work

study my first year of college. Without this assistance, my dreams of creating more opportunities for my family and me would have disappeared. Even with the assistance of the Pell grant I still had unmet need that I had to take care of with loans. I will be graduating with a debt total of \$10,000. My debt is unfortunately going to help dictate what I do after college. The job choices that I pursue will have to pay enough to cover my loan payments. This creates a selected search that may ignore the public and non-profit sector. Debt burden is a growing factor for the retention of students in my school and everywhere else in the nation.

I have accomplished so much considering my circumstances. I know that I have created a successful future for myself that changes the hope of my family. I feel so thankful and honored that I can be a role model for my family. College was my goal, and I am accomplishing it with tremendous gratitude to all the entities that have helped me attend school. Congress and individual states need to make funding for higher education a priority, so that other students like myself can have the opportunity to gain access to an education.

In recent years, we have seen the cost of higher education skyrocket, and grant aid to students simply has not kept up. In the last twenty years, federal grant aid has lost one-third of its buying power when compared to rising tuition and fees. The gap between

persistence. It also forces students to take lighter course loads; therefore increasing the number of academic terms, it takes to complete a degree and further aggravating the debt problem.

Without efforts to make college both more accessible and more affordable, we can expect the rise in student work hours and student debt to continue. And those are the lucky ones, the ones who get a foot in the door. The two million would-be students sitting on the sidelines deserve better, and we can do better. Congress can do better. Billions of dollars of lost earning potential and an even greater loss in broken dreams is unacceptable. We have to promote financial aid policies that emphasize need, make loans more affordable, increase grant aid, control tuition, and make access to higher education our nation's hallmark.

Like many other low-income students, I did not have the resources that other Americans had in this country. My parents arrived here thirty years ago with a dream to create opportunities for all their children. I feel that I have fulfilled that dream through education. Although they could not provide me with financial assistance or knowledge I needed, they provided me with the courage and hope for a better life here in America. My college education will enrich my life and my families for many years to come. Thank you.

Committee on Education and the Workforce
Witness Disclosure Requirement – "Truth in Testimony"
 Required by House Rule XI, Clause 2(g)

Your Name: <i>Elizabeth Sengkhammee</i>		
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the committee).	Yes	No <input checked="" type="checkbox"/>
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: <i>Pell Grant</i> <i>Federal Work Study</i>		
3. Will you be representing an entity other than a government entity?	<input checked="" type="checkbox"/> Yes	No
4. Other than yourself, please list what entity or entities you will be representing: <i>United States Student Association</i>		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4: <i>Member of the Association</i>		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1999, including the source and amount of each grant or contract: <i>NA</i>		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list:	Yes	No <input checked="" type="checkbox"/>

Signature: *ESengkhammee* Date: *July 15, 2002*

Please attach this sheet to your written testimony.

PERSONAL INFORMATION: Please provide the committee with a copy of your resume (or a curriculum vitae). If none is available, please answer the following questions:

a. Please list any employment, occupation, or work related experiences, and education or training which relate to your qualifications to testify on or knowledge of the subject matter of the hearing:

Intern, National Education Association
 Civil Rights Summer Fellow
 Vice President, Student Association
 President, Among Student Association
 tutor, Lao Family Community Center
 Researcher, Iowa State University
 Minority Summer Research Program
 "Southeast Asian Adolescents' Perceptions
 and Conflicts"

b. Please provide any other information you wish to convey to the committee, which might aid the members of the committee to understand better the context of your testimony:

Please attach to your written testimony.

***APPENDIX F -- OPENING STATEMENT OF REPRESENTATIVE HOWARD
P. "BUCK" MCKEON, COMMITTEE ON EDUCATION AND THE
WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON,
D.C.***

***Opening Statement of
Congressman Howard P. "Buck" McKeon***

Education and the Workforce Committee

**Hearing on Access to Higher Education for Low-
Income Students:**

**A Review of the Advisory Committee on Student
Financial Assistance Report on College Access**

Tuesday, July 16, 2002

I want to thank the Chairman for yielding and I would like to thank our panel of witnesses for joining us for this extremely important hearing. Each of you represent key pieces of the higher education puzzle and I look forward to the light that your testimonies will shed on the issue of access to higher education for low income students.

It's no big secret that college costs are rising each year in exponential numbers. However, the best-kept secret is how do we make sure that these rising costs not create insurmountable barriers to low-income and moderate-income students.

Since 1996, Congress has made marked and visible efforts to knock down barriers to higher education.

- This year, Congress increased maximum Pell Grant Funding to its all time high of \$4,000.
- On July 1, the student loan rate was lowered to 4.06%, the lowest rate in the federal aid program's 38-year history.
- The 21st Century Competitiveness Subcommittee, which I chair launched the FEDUP program. Over 3000 members of the financial aid community submitted suggestions on how to better improve service and access to students by reducing burdensome regulations from the financial aid process.

While these measures have served to help bring greater access to higher education, they have not come close to bringing access to all college qualified students.

We are swimming up stream in a current of skyrocketing college costs. While Pell Grant awards increase, they are not able to match the pace of rising college costs. In 1986, Pell Grants

paid 98% of the average tuition. By 1999, even as Pell Funding rapidly increased they only paid 57% of the average tuition.

In 1987, the average student graduated with \$8,000 in student loan debt. The interest rate on those loans was 9%, and a borrower could expect to pay about \$4,200 in interest costs on his loans. Today, the average student graduates with about \$18,000 in student loan debt. But, with today's lower interest rates, and tax deductions for the interest on student loans, today's graduate still pays \$4,200 in interest costs on these loans.

College costs have risen so steadily for the last decade that we now accept it as an inevitable fact of life. Such passive acceptance is doing a great disservice to thousands of America's most talented students. We must carefully examine the reasons for the rising cost of college.

Over thirty years ago, President Richard Nixon said, "No qualified student who wants to go to college should be barred by lack of money." However lack of financial resources continues to prevent thousands of highly qualified students each year from attending college. We must

address this unforgivable problem with renewed energy.

It is important to remember that, even after financial barriers are overcome, first generation college students from low-income and minority families are faced with other barriers to higher education.

Once enrolled in college, even students who are academically gifted may fall through the cracks and dropout if not for intervention programs.

Hopefully, today's hearing will shed light on intervention programs that will help bring more first generation college students to the higher education table.

The admissions and financial aid processes can even be confusing for families who have experience navigating it. To families new to the process, it can be all together overwhelming.

Programs like TRIO can help low-income and first generation college students by giving them access to mentors and resources that will help them better understand the assistance available to help them achieve their dreams of a college education.

TRIO offers support to first generation low-income students before they attend college and after they are enrolled in college. Programs like TRIO are successful because counselors work closely with students. However only 6 % of the students eligible for this program have access to it.

As we explore access to higher education for low-income students, we must consider these very successful early intervention programs.

Later this year, the Committee will begin a series of hearings in the effort to reauthorize the Higher Education Act, which will take place in the next Congress.

During this time, we will continue to build on our efforts in 1998 to expand access to a high quality and affordable college education, to ensure the availability of low cost student loans and to simplify the student aid system and ensure program quality and accountability.

This will allow us to build on the efforts to help open the doors of opportunity to millions of Americans who might not otherwise be able to afford a college education. This country simply can not afford to waste the talent or energy of

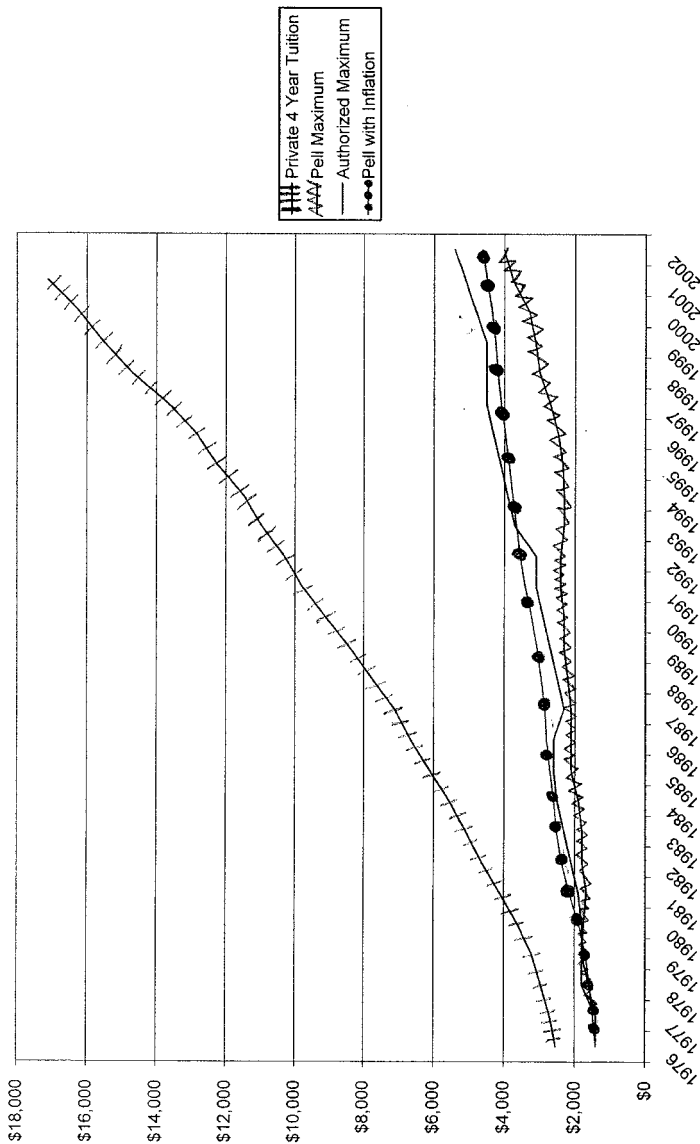
any of its young people. It is our responsibility to see that all young people have the tools and resources that are necessary to ensure their success -- regardless of where they live or what their economic circumstances.

Those on the front lines serving our nation's students have certainly taken the lead in this area for many years.

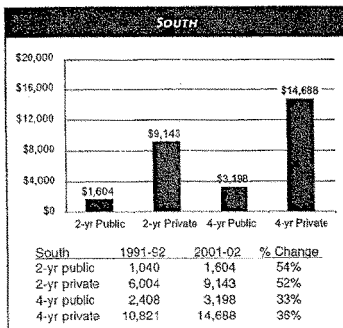
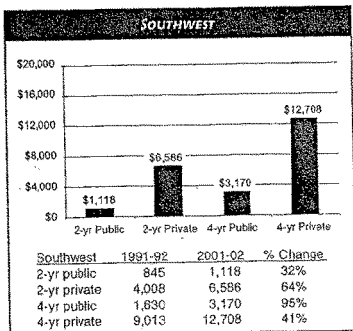
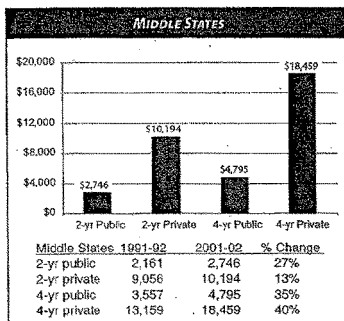
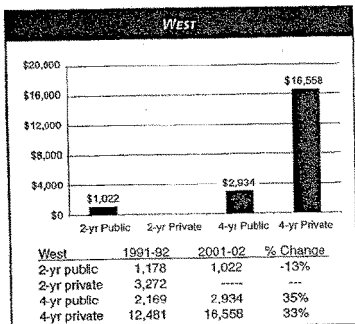
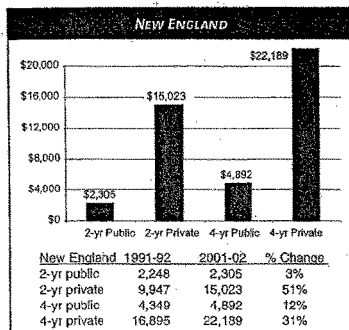
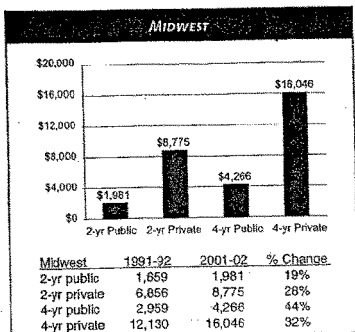
It is time for us to provide leadership -- not try to score political points -- in this vitally important area, and invest in our young people both today and in the future.

**APPENDIX G -- PELL GRANT HISTORY AND TUITION AND FEES
CHARGED BY COLLEGE BOARD REGION CHARTS, REFERRED TO BY
REPRESENTATIVE HOWARD P. "BUCK" MCKEON, COMMITTEE ON
EDUCATION AND THE WORKFORCE, U.S. HOUSE OF
REPRESENTATIVES, WASHINGTON, D.C.**

Pell Grant History



**TUITION AND FEES CHARGED BY COLLEGE BOARD REGION
1991-1992 AND 2001-2002**



NOTE: All trend data adjusted for inflation (constant dollars).
 --- sample too small to provide meaningful information.

SOURCE: Annual Survey of Colleges, The College Board, New York, NY.
 These are enrollment-weighted averages, intended to reflect the average costs that students face in various types of institutions.

***APPENDIX H -- OPENING STATEMENT OF REPRESENTATIVE RUBEN
HINOJOSA, COMMITTEE ON EDUCATION AND THE WORKFORCE, U.S.
HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.***

Opening Statement

Full Committee Hearing on, " EMPTY PROMISES: THE MYTH OF COLLEGE ACCESS IN AMERICA "

JULY 16, 2002

MR. CHAIRMAN: I want to commend you and Ranking Member Miller for holding such an important Hearing on a very significant topic.

The Advisory Committee on Student Financial Assistance has been a source of independent advice and counsel to Congress since 1986 and the report we are discussing today is extremely timely and right on target.

As our colleagues are aware, the Congress is encouraging reforms in our Nation's public schools which call for highly competent teachers and that students meet higher academic standards. However, I must add that without significant resources all children will be left behind!

We are learning today that even if all students met graduation standards and wanted to enroll in college, a very large number of them will not have access to financial aid. That indeed is an " empty promise ", and I hope that we as national policy-makers address that issue in a very serious way.

I am very anxious to hear from the Panel of Witnesses and I want to especially welcome Dr. Julieta Garcia who represents a growing institution on the United States-Mexican border close to my hometown. I want to welcome the panelists, and I yield back the balance of my time.

***APPENDIX I -- SUBMITTED FOR THE RECORD, WRITTEN STATEMENT
OF REPRESENTATIVE HAROLD FORD, JR., COMMITTEE ON
EDUCATION AND THE WORKFORCE, U.S. HOUSE OF
REPRESENTATIVES, WASHINGTON, D.C.***

Congressman Harold Ford, Jr.
Committee on Education and the Workforce
Hearing on "Access to Higher Education for Low-Income Students"
July 16, 2002

Mr. Chairman, thank you for holding this hearing on access to higher education.

At a time when college has never been more important to economic success, college tuition is becoming increasingly harder to afford for families and students.

The report we are discussing today finds that 170,000 students will be unable to attend college due to rising tuition costs. In a country based on the idea of equal opportunity for all, that is a national tragedy.

The problem is particularly severe in my state of Tennessee. Our state has suffered from large budget shortfalls, and the burden of budget cuts has fallen on students and families.

Last week, the University of Tennessee system -- which has 42,000 students -- announced that it will raise tuition by 7.5% for undergraduates and graduate students, and between 3% and 28% for students in professional programs.

Just yesterday, the 180,000-student Tennessee Board of Regents system announced that it will also raise tuition 7.5 percent. Both the UT and Regents raised tuition by 15 percent last year. Tuition and fees at state institutions have climbed by about 50% in the past five years.

Unfortunately, the problems at the state level have been compounded by decreases in federal financial aid. The Administration's proposed budget cuts Pell grants from \$4,000 to \$3,900 and provides financial aid to 375,000 fewer students. An estimated 6,400 fewer Tennessee students would receive financial aid.

Congress has an obligation to determine why tuition is rising at three times the rate of inflation, pricing out not only low-income families, but middle-income families.

A highly-skilled workforce is critical to the economic destiny of Tennessee and our nation. It is also a matter of America's security in a dangerous world. The economy of the twenty-first century will demand skills that can only be gained at the postsecondary level.

This is a time when our states and our nation should be investing heavily in higher education, and making college tuition more, not less, affordable.

I look forward to hearing from our witnesses, and also to working with my colleagues to ensure that every student who wants to attend college has that opportunity.

***APPENDIX J -- SUBMITTED FOR THE RECORD, WRITTEN STATEMENT
OF REPRESENTATIVE HILDA SOLIS, COMMITTEE ON EDUCATION
AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES,
WASHINGTON, D.C.***

Statement of Rep. Hilda L. Solis
Hearing on Access to Higher Education for Low-Income Students
July 16, 2002

I am pleased that the Committee is holding this hearing on access to higher education for low-income students. This is an issue I am deeply concerned about and am glad to see it being further explored.

Thousands of low-income students are dropping out of college due to financial barriers. We must do more to help these students stay enrolled in school. In addition, special efforts must be made to help parents become better informed about the process of financing their child's college education. For example, in my community, this would mean linguistically appropriate materials and reaching out to parents in a culturally sensitive way. As we proceed today, I hope our witnesses will help us better understand the extent to which low-income students lack access to a higher education due to financial barriers, as well as what can be done alleviate the problem.

I also hope that we keep in mind a population that is often ignored – our undocumented students. High-achieving students are routinely being denied access to a higher education because undocumented students are not awarded financial assistance. Because many of these students arrived in this country at a young age, the United States is their home country. Unbeknownst to them, they are actually undocumented. These bright young men and women are graduating at the top of their class. My home state of California recently began to grant undocumented students in-state tuition rates, but these students are still not eligible for federal financial aid. Without financial aid, these students cannot overcome their financial barriers and access a higher education.

I hope our witnesses will touch on some of these issues and I yield back the balance of my time.

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