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**PRESIDENT CLINTON DRAWS THE LINE ON EDUCATION: WILL FIGHT TO PROTECT LOANS OF 363,800 CALIFORNIA STUDENTS**

February 14, 1995

In a speech to the American Council on Education in San Francisco today, President Clinton drew the line on education, saying:

> *Republican leadership ... proposals will cut investments in our future and increase the cost of student loans to our neediest students to fund tax cuts for the wealthy. They will limit the availability of lower cost direct loans to middle class students to increase profits for the middlemen. And they won't reinvent the Department of Education as I have done to make it a stronger voice for education -- they will abolish it. To all of this, I say: No. I will fight these proposals every step of the way, and I want you to join me in this fight.*

President Clinton specifically vowed to fight to:

1) Expand Direct Lending and Individual Education Accounts, and oppose Republican efforts to cap participation at 40%;
2) Support successful College Access programs, and oppose any attempt to eliminate the in-school interest subsidy for 4 million students;
3) Expand AmeriCorps National Service, and oppose any Republican proposals to dismantle the initiative;
4) Continue Goals 2000, and oppose efforts to abolish the Department of Education;
5) Offer a tax deduction up to $10,000 for education and job training, and oppose wasteful tax proposals like the capital gains and cost-neutral recovery provisions in the House Contract;
6) Expand Head Start, and oppose any effort to block grant or limit funding for Head Start.

By opposing Republican proposals to end the in-school interest subsidy, **President Clinton will protect 363,800 current California borrowers from accruing interest charges on their loans until after they finish school and start repaying their loans.** The Department of Education estimates that ending this subsidy would mean that a student who borrows $17,125 over four years **would owe $3,150 more**, and have his or her monthly repayment amount increased by more than 18%.

By opposing Republican efforts to restrict expansion of the Direct Lending program and Individual Education Accounts (IEA), President Clinton will ensure that every American will have access to the program within the next five years. **In the 1995-96 school year, 175 California schools will participate in direct lending, including:**

California Institute of Technology
California State College, Bakersfield
Fullerton College
Long Beach Community College
Los Angeles City College
San Diego City College
San Diego State University
San Francisco State University
San Francisco Theological Seminary
Santa Clara University
Sonoma State University
University of California, Berkeley
University of California, Riverside
University of California, Santa Barbara
University of California, Santa Cruz
University of California, Davis
University of California, Irvine
University of Pacific
University of San Francisco

The new national Direct Lending program, which offers the Individual Education Accounts, simplifies borrowing, reduces fees for students and offers borrowers several convenient repayment options, including income-contingent repayment. The program will also save the federal government billions of dollars in administrative expenses.

**PRESIDENT CLINTON DRAWS THE LINE ON EDUCATION:**
**WILL FIGHT TO PROTECT LOANS OF 7,300 DELAWARE STUDENTS**
February 14, 1995

In a speech to the American Council on Education in San Francisco today, President Clinton drew the line on education, saying:

> *Republican leadership ... proposals will cut investments in our future and increase the cost of student loans to our neediest students to fund tax cuts for the wealthy. They will limit the availability of lower cost direct loans to middle class students to increase profits for the middlemen. And they won't reinvent the Department of Education as I have done to make it a stronger voice for education -- they will abolish it. To all of this, I say: No. I will fight these proposals every step of the way, and I want you to join me in this fight.*

President Clinton specifically vowed to fight to:

1) Expand Direct Lending and Individual Education Accounts, and oppose Republican efforts to cap participation at 40%;
2) Support successful College Access programs, and oppose any attempt to eliminate the in-school interest subsidy for 4 million students;
3) Expand AmeriCorps National Service, and oppose any Republican proposals to dismantle the initiative;
4) Continue Goals 2000, and oppose efforts to abolish the Department of Education;
5) Offer a tax deduction up to $10,000 for education and job training, and oppose wasteful tax proposals like the capital gains and cost-neutral recovery provisions in the House Contract;
6) Expand Head Start, and oppose any effort to block grant or limit funding for Head Start.

By opposing Republican proposals to end the in-school interest subsidy, **President Clinton will protect 7,300 current Delaware borrowers from accruing interest charges on their loans until after they finish school and start repaying their loans.** The Department of Education estimates that ending this subsidy would mean that a student who borrows $17,125 over four years **would owe $3,150 more**, and have his or her monthly repayment amount increased by more than 18%.

By opposing Republican efforts to restrict expansion of the Direct Lending program and Individual Education Accounts (IEA), President Clinton will ensure that every American will have access to the program within the next five years. **In the 1995-96 school year, the following 4 Delaware schools will participate in direct lending:**

Delaware State College
Delaware Technical & Community College
Schilling Douglas School of Hair Design
University of Delaware

The new national Direct Lending program, which offers the Individual Education Accounts, simplifies borrowing, reduces fees for students and offers borrowers several convenient repayment options, including income-contingent repayment. The program will also save the federal government billions of dollars in administrative expenses.

**PRESIDENT CLINTON DRAWS THE LINE ON EDUCATION:**
**WILL FIGHT TO PROTECT LOANS OF 61,100 KANSAS STUDENTS**
February 14, 1995

In a speech to the American Council on Education in San Francisco today, President Clinton drew the line on education, saying:

> *Republican leadership ... proposals will cut investments in our future and increase the cost of student loans to our neediest students to fund tax cuts for the wealthy. They will limit the availability of lower cost direct loans to middle class students to increase profits for the middlemen. And they won't reinvent the Department of Education as I have done to make it a stronger voice for education -- they will abolish it. To all of this, I say: No. I will fight these proposals every step of the way, and I want you to join me in this fight.*

President Clinton specifically vowed to fight to:
1) Expand Direct Lending and Individual Education Accounts, and oppose Republican efforts to cap participation at 40%;
2) Support successful College Access programs, and oppose any attempt to eliminate the in-school interest subsidy for 4 million students;
3) Expand AmeriCorps National Service, and oppose any Republican proposals to dismantle the initiative;
4) Continue Goals 2000, and oppose efforts to abolish the Department of Education;
5) Offer a tax deduction up to $10,000 for education and job training, and oppose wasteful tax proposals like the capital gains and cost-neutral recovery provisions in the House Contract;
6) Expand Head Start, and oppose any effort to block grant or limit funding for Head Start.

By opposing Republican proposals to end the in-school interest subsidy, **President Clinton will protect 61,100 current Kansas borrowers from accruing interest charges on their loans until after they finish school and start repaying their loans.** The Department of Education estimates that ending this subsidy would mean that a student who borrows $17,125 over four years **would owe $3,150 more**, and have his or her monthly repayment amount increased by more than 18%.

By opposing Republican efforts to restrict expansion of the Direct Lending program and Individual Education Accounts (IEA), President Clinton will ensure that every American will have access to the program within the next five years. **In the 1995-96 school year, the following 17 Kansas schools will participate in direct lending:**

Academy of Hair Design
American Academy of Hair Design
Bryan Travel College
Cloud County Community College
Dodge City Community College
Hays Academy of Hair Design
Highland Community College
Hutchinson Community College
Johnson County Community College
Kansas State University
Kansas Wesleyan University
Labaron Hairdressing Academy
Northeast Kansas Area Vocational
Southeast Kansas Area Vocational
Southwestern College
Superior School Of Hairstyling
Topeka Technical College

The new national Direct Lending program, which offers the Individual Education Accounts, simplifies borrowing, reduces fees for students and offers borrowers several convenient repayment options, including income-contingent repayment. The program will also save the federal government billions of dollars in administrative expenses.

| | DIRECT LOANS | SAFE AND DRUG FREE SCHOOLS | |
|---|---|---|---|
| | Schools Participating in Direct Loan Program 1995-96 school year | # of school districts | Number of School district no longer served. |
| ALABAMA | 19 | 129 | 121 |
| ALASKA | 0 | 56 | 53 |
| ARIZONA | 36 | 229 | 215 |
| ARKANSAS | 7 | 325 | 306 |
| CALIFORNIA | 203 | 1005 | 945 |
| COLORADO | 29 | 176 | 165 |
| CONNECTICUT | 17 | 166 | 156 |
| DELAWARE | 4 | 19 | 18 |
| FLORIDA | 34 | 69 | 65 |
| GEORGIA | 42 | 183 | 172 |
| HAWAII | 1 | 1 | 1 |
| IDAHO | 7 | 114 | 107 |
| ILLINOIS | 74 | 942 | 885 |
| INDIANA | 26 | 296 | 278 |
| IOWA | 37 | 435 | 409 |
| KANSAS | 17 | 304 | 286 |
| KENTUCKY | 38 | 176 | 165 |
| LOUISIANA | 17 | 66 | 62 |
| MAINE | 7 | 283 | 266 |
| MARYLAND | 31 | 24 | 23 |
| MASSACHUSETTS | 50 | 352 | 331 |
| MICHIGAN | 52 | 561 | 527 |
| MINNESOTA | 26 | 434 | 408 |
| MISSISSIPPI | 8 | 150 | 141 |
| MISSOURI | 34 | 543 | 510 |
| MONTANA | 2 | 539 | 507 |
| NEBRASKA | 11 | 777 | 730 |
| NEVADA | 5 | 17 | 16 |
| NEW HAMPSHIRE | 4 | 174 | 164 |
| NEW JERSEY | 49 | 608 | 572 |
| NEW MEXICO | 9 | 88 | 83 |
| NEW YORK | 90 | 717 | 674 |
| NORTH CAROLINA | 31 | 133 | 125 |
| NORTH DAKOTA | 3 | 276 | 259 |
| OHIO | 49 | 613 | 576 |
| OKLAHOMA | 10 | 593 | 557 |
| OREGON | 18 | 296 | 278 |
| PENNSYLVANIA | 70 | 503 | 473 |
| RHODE ISLAND | 10 | 37 | 35 |
| SOUTH CAROLINA | 19 | 95 | 89 |
| SOUTH DAKOTA | 1 | 189 | 178 |
| TENNESSEE | 18 | 140 | 132 |
| TEXAS | 61 | 1051 | 988 |
| UTAH | 8 | 40 | 38 |
| VERMONT | 7 | 279 | 262 |
| VIRGINIA | 41 | 141 | 133 |
| WASHINGTON | 15 | 296 | 278 |
| WEST VIRGINIA | 16 | 55 | 52 |
| WISCONSIN | 20 | 428 | 402 |
| WYOMING | 2 | 49 | 46 |

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# U. S. Department of Labor
## Employment and Training Administration
## 1995 and 1996 Summer Youth Program
## For Selected Cities/Service Delivery Areas

| STATE<br>CITY/SDA | Dollars ($000)<br>1995 | <br>1996 (Est.) | Youth (Est.)<br>1995 | <br>1996 |
|---|---|---|---|---|
| ALASKA | 2,306 | 2,318 | 1,100 | 1,100 |
| * Anchorage ** (SDA) (Anchorage/Matanuska SDA) | 925 | 930 | 450 | 450 |
| ARIZONA | 11,614 | 11,674 | 8,200 | 8,300 |
| Phoenix City SDA ** | 2,870 | 2,885 | 2,030 | 2,040 |
| ARKANSAS | 7,667 | 7,706 | 6,100 | 6,100 |
| Little Rock City SDA | 372 | 374 | 180 | 180 |
| CALIFORNIA | 146,654 | 147,410 | 75,400 | 75,800 |
| * Fresno ** (Fresno City/County CSRT) | 6,005 | 6,036 | 3,100 | 3,100 |
| Los Angeles City SDA** | 22,873 | 22,991 | 11,800 | 11,900 |
| Oakland City SDA** | 2,427 | 2,439 | 1,200 | 1,200 |
| * San Diego ** (San Diego CRST) | 9,101 | 9,147 | 4,700 | 4,700 |
| San Francisco City/County SDA** | 3,582 | 3,600 | 1,800 | 1,800 |
| * San Jose ** (Bal of Santa Clara County SDA) | 3,922 | 3,942 | 2,000 | 2,000 |
| * San Mateo ** (San Mateo County SDA) | 1,437 | 1,444 | 700 | 700 |
| * Stockton ** (San Joaquin County SDA) | 3,613 | 3,632 | 1,900 | 1,900 |
| * West Hollywood ** (Bal of Los Angeles County SDA) | 16,551 | 16,636 | 8,500 | 8,500 |
| COLORADO | 7,980 | 8,021 | 4,500 | 4,50 |
| * Boulder ** (Boulder County SDA) | 263 | 265 | 150 | 15 |
| * Denver ** (Denver City/County SDA) | 1,729 | 1,738 | 970 | 98 |
| CONNECTICUT | 8,108 | 8,150 | 5,400 | 5,40 |
| * Bridgeport ** (Bridgeport/Norwalk/Stamford SDA) | 1,738 | 1,747 | 1,160 | 1,16 |
| DISTRICT OF COLUMBIA | 3,180 | 3,197 | 2,700 | 2,70 |
| FLORIDA | 41,697 | 41,912 | 26,100 | 26,20 |
| * Miami (So. Florida E&T CRST) | 8,236 | 8,278 | 3,900 | 3,90 |
| Tampa City SDA | 1,182 | 1,188 | 750 | 75 |
| GEORGIA | 18,193 | 18,287 | 11,700 | 11,800 ~~11,80~~ |
| Atlanta City SDA | 2,459 | 2,472 | 1,550 | 1560 ~~1,56~~ |
| * Savannah ** (Savannah/Chatham CSRT) | 621 | 624 | 400 | 400 ~~40~~ |
| ILLINOIS | 34,955 | 35,135 | 25,000 | 25,100 ~~25,10~~ |
| Chicago (Mayor's Office of E&T) | 12,638 | 12,703 | 9,000 | 9,000 ~~9,00~~ |
| INDIANA | 12,533 | 12,597 | 8,100 | 8,100 ~~8,10~~ |
| * Ft. Wayne ** (Northeast Indiana PIC, Inc.) | 1,000 | 1,006 | 640 | 650 ~~65~~ |
| Indianapolis City/Marion County SDA | 1,957 | 1,967 | 1,000 | 1,000 ~~1,00~~ |
| IOWA | 4,177 | 4,198 | 2,300 | 2,300 ~~2,30~~ |
| * Des Moines ** (Central Iowa CRST) | 422 | 424 | 230 | 230 20 |

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| STATE CITY/SDA | Dollars ($000) 1995 | Dollars ($000) 1996 (Est.) | Youth (Est.) 1995 | Youth (Est.) 1996 |
|---|---|---|---|---|
| KENTUCKY | 11,567 | 11,627 | 9,700 | 9,700 |
| * Lexington (Bluegrass CSRT) | 162 | 163 | 250 | 250 |
| * Louisville City/Jefferson County SDA | 1,187 | 1,193 | 1,000 | 1,000 |
| LOUISIANA | 19,265 | 19,364 | 13,500 | 13,500 |
| * New Orleans (Orleans Parish) | 2,343 | 2,355 | 1,750 | 1,750 |
| MARYLAND | 12,117 | 12,179 | 10,200 | 10,300 |
| Baltimore City SDA** | 4,343 | 4,365 | 3,660 | 3,670 |
| * Rockville ** (Montgomery County SDA) | 396 | 398 | 330 | 340 |
| MASSACHUSSETTS | 18,977 | 19,075 | 14,000 | 14,100 |
| Boston City SDA** | 2,226 | 2,237 | 1,650 | 1,650 |
| * Springfield ** (Hampden CRST) | 1,850 | 1,860 | 1,370 | 1,370 |
| MICHIGAN | 31,599 | 31,762 | 21,400 | 21,500 |
| Detroit City SDA | 7,028 | 7,064 | 5,000 | 5,000 |
| * Flint ** (Genesee/Shiawassee SDA) | 955 | 960 | 650 | 650 |
| MINNESOTA | 8,964 | 9,010 | 7,200 | 7,300 |
| Minneapolis E&T Program** | 823 | 828 | 670 | 670 |
| MISSISSIPPI | 10,279 | 10,332 | 7,900 | 7,900 |
| * Jackson ** (Hinds County SDA) | 733 | 737 | 560 | 570 |
| MISSOURI | 13,893 | 13,965 | 9,200 | 9,200 |
| St. Louis City SDA** | 1,855 | 1,864 | 1,230 | 1,230 |
| NEVADA | 4,039 | 4,060 | 2,500 | 2,500 |
| * Las Vegas (Nevada Business Services, Inc. SDA) | 2,753 | 2,767 | 1,500 | 1,500 |
| * Reno (Job Opportunities in Nevada SDA) | 1,286 | 1,293 | 600 | 600 |
| NEW JERSEY | 23,748 | 23,870 | 19,000 | 19,100 |
| Newark City SDA** | 3,692 | 3,711 | 2,960 | 2,970 |
| * Passaic ** (Passaic County SDA) | 1,858 | 1,868 | 1,490 | 1,500 |
| NEW MEXICO | 5,782 | 5,812 | 2,500 | 2,500 |
| * Albuquerque City/Bernalillo County SDA | 585 | 588 | 420 | 420 |
| * Roswell (Bal of New Mexico CSRT) | 185 | 186 | 300 | 300 |

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| STATE CITY/SDA | Dollars ($000) 1995 | Dollars ($000) 1996 (Est.) | Youth (Est.) 1995 | Youth (Est.) 1996 |
|---|---|---|---|---|
| NEW YORK | 63,255 | 63,581 | 54,800 | 55,000 |
| * Albany (Albany/Rennsalaer/Schenectady CSRT) | 1,105 | 1,111 | 1,200 | 1,200 |
| * Brooklyn (New York City SDA) | (See New York City) | | | |
| Buffalo (Buffalo/Erie/Cheektowaga SDA) | 2,799 | 2,813 | 2,800 | 2,800 |
| New York City SDA | 35,308 | 35,490 | 32,000 | 32,100 |
| * Rochester City SDA | 1,126 | 1,132 | 600 | 600 |
| NORTH CAROLINA | 13,618 | 13,688 | 5,100 | 5,100 |
| * Charlotte City/Mecklenburg County CRST** | 721 | 725 | 270 | 270 |
| OHIO | 31,211 | 31,372 | 21,500 | 21,600 |
| Cleveland City SDA | 3,468 | 3,486 | 3,140 | 3,150 |
| * Columbus (CRST #17) | 1,692 | 1,701 | 1,580 | 1,590 |
| * Dayton (Montgomery/Preble/Dayton CRST) | 1,306 | 1,313 | 1,260 | 1,270 |
| * Toledo Area CRST ** | 2,005 | 2,015 | 1,400 | 1,410 |
| OKLAHOMA | 9,587 | 9,637 | 6,000 | 6,000 |
| * Oklahoma City (Central Oklahoma SDA) | 1,440 | 1,447 | 1,070 | 1,070 |
| * Tulsa Area SDA | 1,409 | 1,416 | 830 | 830 |
| OREGON | 9,722 | 9,772 | 3,100 | 3,100 |
| * Portland ** (The PIC SDA) | 2,502 | 2,515 | 790 | 790 |
| PENNSYLVANIA | 34,075 | 34,251 | 34,000 | 34,100 |
| * Bethlehem ** (Lehigh Valley Consortium SDA) | 918 | 923 | 920 | 920 |
| Philadelphia City/County SDA | 5,217 | 5,244 | 5,930 | 5,950 |
| Pittsburgh City SDA** | 885 | 890 | 900 | 900 |
| * Williamsport ** (Mid_State Consortium SDA) | 1,040 | 1,045 | 1,040 | 1,040 |
| * York ** (York County SDA) | 521 | 524 | 520 | 520 |
| SOUTH CAROLINA | 12,643 | 12,708 | 10,700 | 10,700 |
| Charleston ** (Charleston City/County SDA) | 950 | 955 | 800 | 800 |
| TENNESSEE | 12,938 | 13,005 | 3,600 | 3,600 |
| * Knoxville City/Knox County** | 502 | 504 | 140 | 140 |
| TEXAS | 66,587 | 66,930 | 43,300 | 43,500 |
| * Austin City/Travis County CRST | 1,180 | 1,186 | 500 | 500 |
| Dallas City SDA | 4,538 | 4,561 | 2,250 | 2,260 |
| * Fort Worth CRST | 2,345 | 2,357 | 970 | 970 |
| Houston City SDA | 9,102 | 9,149 | 6,000 | 6,000 |
| * San Antonio (Alamo CRST) | 4,939 | 4,964 | 3,500 | 3,500 |
| VERMONT | 2,125 | 2,136 | 1,700 | 1,70 |
| * Burlington ** (Vermont Consortium) | (See VERMONT) | | | |
| VIRGINIA | 13,187 | 13,255 | 4,500 | 4,60 |
| * Alexandria ** (Alexandria/Arlington CRST) | 507 | 510 | 200 | 20 |
| Richmond ** (Job Training & Assistance Programs) | 682 | 685 | 200 | 20 |

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# For Selected Cities/Service Delivery Areas

| STATE CITY/SDA | Dollars ($000) 1995 | Dollars ($000) 1996 (Est.) | Youth (Est.) 1995 | Youth (Est.) 1996 |
|---|---|---|---|---|
| WASHINGTON | 16,472 | 16,557 | 8,500 | 8,600 |
| * Seattle/King County PIC ** | 3,649 | 3,668 | 1,890 | 1,900 |
| * Spokane City/County CRST** | 1,099 | 1,104 | 570 | 570 |
| WEST VIRGINIA | 9,342 | 9,390 | 5,800 | 5,800 |
| * Charleston ** (Kanawha County SDA) | 805 | 809 | 500 | 500 |
| WISCONSIN | 9,832 | 9,883 | 5,300 | 5,300 |
| Milwaukee ** (Milwaukee County SDA) | 1,866 | 1,876 | 1,000 | 1,010 |

* SDA total was used because the city is not an SDA in its own right

** Actual 1995 allocation not available; 1995 estimate based on 1994 data

# PRESIDENT CLINTON'S COMMITMENT TO EDUCATION AND TRAINING

The fundamental goal of President Clinton's comprehensive economic policy is to raise the living standards and expand opportunity for hard-working Americans--so that every American has the chance to realize the American Dream. While supporting deficit reduction, open trade, innovation and job creation, the President has recognized that nothing is more critical to our nation's future than ensuring that all Americans have the education and skills they need to succeed in the new economy. The President has made an unprecedented commitment to lifelong learning--from the expansion and improvement of early childhood education to a bold new reform of adult education and training programs.

## EDUCATION IS THE KEY TO RISING STANDARDS OF LIVING

In an economy where technology is constantly changing, trade is expanding, and capital is mobile, education has become the fundamental fault-line running through the work force. Most Americans have seen their incomes stagnate over the last fifteen years; the real income of the typical family actually declined. Yet college graduates have bucked the trend. In 1979, a male college graduate earned 39 percent more than a man with only a high school degree. By 1993, this gap had doubled, and a male college graduate out-earned his school graduate counterpart by 80 percent. In addition, the availability of health coverage, pension plans, and other work-related benefits has become closely correlated with education levels.

## A BIPARTISAN EDUCATION RECORD

While bringing the deficit down by historic amounts--over $600 billion so far--President Clinton has also made investing in education a top priority. During the last Congress, Republicans and Democrats shared his commitment to lifelong learning, and together they enacted a historic series of initiatives to expand the amount and the quality of educational investment in America. Landmark legislation includes:

- **Head Start Amendments of 1994** (signed 5/18/94; passed House 393-20; Senate 98-1).
- **Goals 2000: Educate America Act** (signed 3/31/94; passed House 306-121; Senate 63-22).
- **Improving America's Schools Act** (signed 10/20/94; passed House 362-132; Senate 77-20).
- **School-to-Work Opportunities Act** (signed 05/04/94; passed House 339-79; Senate Voice Vote)
- **National and Community Service Trust Act** (signed 9/21/93; passed House 275-152; Senate 57-40)
- **Direct Lending and Pay-as-You-Can Loans** (signed on 8/10/93 as part of the Omnibus Budget Reconciliation Act)

This year, President Clinton went a step further and proposed expansions and improvements in these and other education investments. In addition, as part of his Middle Class Bill of Rights, the President has sought to work with Republicans on two new initiatives:

- **Education and Training Tax Deduction** up to $10,000.
- The **G.I. Bill for America's Workers**--consolidating 70 programs and putting Skill Grants directly into workers' hands.

## DRAWING THE LINE ON EDUCATION

Despite the bipartisan efforts that expanded educational opportunities last year, the current budget debate points to a divide between the President and the Republican Congress over the right economic strategy for the nation. Both the President and Republicans believe we must reduce the budget deficit and balance the budget, and both propose deep cuts in discretionary spending to reach this goal. But the President also believes that in order to create more opportunity, we must reduce the education deficit by expanding investment in education. Republicans appear to disagree. Thus, **while the President's balanced budget proposal launches an all-out effort to expand educational opportunity, the GOP budgets dramatically decrease educational opportunity.**

## THE EDUCATION GAP BETWEEN THE BUDGETS

The House Republican budget slashes education and training by $43 billion between 1995 and 2002, the Senate budget by slightly less. In contrast, the President's budget increases investment in these same areas by $40 billion. As a result, there is major education gap between the President's proposal and Republican proposals.

**President Clinton will fight to expand investment in education, and he will fight against efforts to reduce, gut, or eliminate key investments in education and job training.** Following is a brief outline of the fundamental differences between the President's approach to education and the Republican approaches to education -- from pre-school through post-secondary training.

## I. PRE-SCHOOL EDUCATION

President Clinton has made expanding and improving pre-schooling the starting point for his lifelong learning agenda. Republicans would slash these investments.

- **HEAD START:** ***President Clinton Adds 50,000 Children; Republicans Cut 180,000 Children.***

  **President Clinton** already expanded investment in Head Start by $760 million from 1993 to 1995. Now, he proposes to increase annual funding by $1.5 billion by 2002 to reach another 50,000 children. At the same time as he expands Head Start, he has also reformed the way the program works to improve teaching and facilities for all the children who participate.

  **Republicans** propose cutting Head Start by $210 million below 1995 levels. This cut would reduce the number of children in Head Start each year, providing Head Start opportunities to as many as 230,000 fewer children than the President's proposal in the year 2002. [House]

## II. K-12 EDUCATION

President Clinton has lent national support to local efforts to reform our schools, recognizing that the federal government is an important partner with states and communities in improving K-12 education, setting high academic standards, and ensuring equitable treatment for all our children. Republicans would eliminate national support for local reform, leaving students without crucial resources they need to succeed.

- **GOALS 2000.** ***President Clinton Created It and Would Provide $867 Million in 2002 To Help 44 Million Children in 85,000 Schools; Republicans Would Eliminate It.***

  **President Clinton** helped create Goals 2000, which supports community and school efforts to raise academic standards and encourage students to work hard meet them. Forty seven states are already participating in this program. In his 1996 budget, the President calls for a $354 million increase in funding, with the total level rising to $867 million by 2002. That's enough to support improvements for 44 million children in over 85,000 schools.

  **Republicans** propose **eliminating** Goals 2000--undermining what was once a bipartisan effort to spur bottom-up school improvement at schools across the nation. [House and Senate]

- **TITLE ONE (Formerly Chapter One).** ***President Clinton Has Expanded It and Remains Committed To It; Republicans Would Cut by Over $5 Billion and Deprive 700,000 Children of Added Educational Assistance.***

  **President Clinton** supports Title One, designed to provide needed resources to students from disadvantaged backgrounds. The program has been reoriented to give schools more flexibility to support effective innovations that help all students read and write well and meet challenging standards. The President has already increased Title One funding by $524 million over two years, and he proposes an increase of $213 million this year, with further increases every year in the future.

  **Republicans** would cut Title One by $730 million in 1996 alone. This cut would mean that over 700,000 children in our poorest communities would be denied the extra instruction they need to achieve the same high standards as other children. [House]

- **SAFE AND DRUG-FREE SCHOOLS:** ***President Clinton Has Supported It; Republicans Would Gut It.***

  **President Clinton** supports this initiative to make our schools safe from drugs and violence. The program funds everything from innovative anti-violence education and after-school programs to metal detectors and security personnel. The President would maintain funding at $500 million per year.

**Republicans** propose eliminating the program and replacing it with a block grant with 30% less funding--thereby threatening to cut off support for anti-drug and anti-violence efforts serving 39 million children in over 90% of the school districts in the nation. [House]

- **TECHNOLOGY LEARNING CHALLENGE (TECHNOLOGY FOR EDUCATION):** ***Republicans Would Gut This Clinton Initiative That Leverages Private Money for Technology in Public Schools.***

    ***President Clinton*** has helped initiate this challenge to the private sector to join with public school districts to put computers and technology in the classroom. A $50 million federal investment in 1996 will leverage hundreds of millions of dollars in private support.

    ***Republicans*** would eliminate this innovative new program, denying school districts across the country the ability to participate in this initiative, and halting an effort to leverage millions more from the private sector. [House]

- **SCHOOL-TO-WORK OPPORTUNITIES.** ***President Clinton Has Supported A New 50-State Movement; Republicans Would Stop It In Its Tracks.***

    **President Clinton**, with bipartisan support, signed into law the most important national program ever to ensure that all young people--including the 70% of young Americans who don't get four-year degrees--get the skills they need to obtain good jobs with a future. All states have received planning funds, and eight "leading edge" states have programs underway that are getting positive reviews from companies nationwide. Twenty more states will come into the program this year, and President Clinton has proposed increasing support by 60% for FY 1996 to $400 million.

    **Republicans** would cut fully 20% [House] to 25% [Senate] in their budgets. These cuts would likely deny the opportunity for nearly half the states--22 states--to join the program after this year, and reduce support for the 28 states that will already be implementing programs by year end.

- **SUMMER JOBS.** ***President Clinton Supports Work Experiences for Youth; the Republicans Would Cut These Jobs.***

    **President Clinton** recognizes that the summer jobs program is an important first opportunity to get work experience for many low-income youths - especially those in inner cities where jobs are scarce. Without these opportunities, these young people might not otherwise have any chance to learn skills and workplace behavior during their formative years. The President has proposed financing 615,000 jobs this summer alone.

    **Republicans** have proposed cutting summer jobs by 25 percent--slashing the President's request by $300 million. In the summer of 1996 this would eliminate this valuable work experience for 170,000 at-risk youth. About one million jobs would be denied to young people over the next seven years. [Senate]

## III. POST-SECONDARY EDUCATION

Now more than ever, education and job training are the gateway to America's middle class. Studies show that for every year of training a person gets after high school, his or her earnings rise by 6 to 12 percent. After 15 years in which college costs increased far faster than inflation but family incomes stagnated, President Clinton has initiated historic efforts to expand college access. Republican proposals would devastate grants and loans, college and job training, setting back college access by years if not decades.

- **DIRECT LENDING AND INDIVIDUAL EDUCATION ACCOUNTS.** ***President Clinton Supports Expanding These Initiatives; Republicans Want To Raise the Cost to Students and Reduce Access.***

  **President Clinton** supports expanding the new direct lending program and individual education accounts. With the passage of the Student Loan Reform Act, 104 schools and over 252,000 students are already participating in the program. This year more than 1,400 schools -- representing 40% of all loans and the maximum allowed under this year's authorization -- have committed to enrolling. This program is already saving $6.8 billion for taxpayers, lowering interest rates for students, and allowing borrowers to choose flexible repayment arrangements -- including pay-as-you-earn plans through Individual Education Accounts. In time, 20 million students will be able to benefit.

  **Republicans** have proposed legislation to reduce funds available for direct lending, prevent schools from choosing to participate in the initiative, and cap participation at 40 percent of all loans. [House and Senate legislative proposal]

- **IN-SCHOOL INTEREST EXEMPTION.** ***Republicans Raise College Costs for 4 Million Students By Up to $3,000 Each.***

  **President Clinton** supports the in-school interest exemption, under which **four million** need-tested students with Stafford loans do not have to pay interest while enrolled in school and during the grace period (six months) between leaving school and entering repayment.

  **Republicans** propose eliminating the in-school interest exemption for these 4 million students each year. This proposal could have a severe impact on college access; two-thirds of all Stafford borrowers are from families that earn less than $30,000. For a four-year undergraduate who borrowed the maximum amount ($17,125) at the maximum statutory interest rate (8.25%), the Republican proposal would increase costs by $3,150--or 18 percent. [House]

- PELL GRANTS. *President Clinton Raised the Maximum to a Record High and Would Increase Annual Funding by $3.4 Billion by 2002; Republicans Cut It By 10 Percent Or More.*

  **President Clinton** has supported the Pell Grant program, increasing the maximum Pell Grant by 12 percent to its highest level ever, $2,620. In his new budget, he would increase annual funding by $3.4 billion by 2002--enough to reach 960,000 more recipients and increase the maximum award to $3,128.

  **Republicans** would freeze Pell Grant funding so that 4 million students will see their Pell Grants cut by about $250 each compared to the President's proposal. For millions of students, grants make the difference between going to college and not going--between staying in school and dropping out. For example, $250 equals approximately 25% of tuition and fees of community colleges. [House and Senate]

- AMERICORPS. *President Clinton Offers Opportunities to 20,000 Young People This Year Alone; Republicans Would Eliminate Nearly 1 Million Service Opportunities for People of All Ages.*

  **President Clinton** created this initiative to enable young people to earn money for education by serving their communities--teaching, caring for the sick, making the streets safer. Already 20,000 Americans are serving in AmeriCorps, and 50,000 are expected next year.

  **Republicans** would eliminate AmeriCorps and the Corporation for National Service, eliminating nearly a million service opportunities for people of all ages, and 50,000 opportunities for young people to pay for college through national service next year alone. [House and Senate]

- EDUCATION AND TRAINING TAX DEDUCTION. *President Clinton Supports A Deduction; With All the Tax Breaks for the Wealthy, Republicans Don't.*

  **President Clinton** supports a tax deduction for middle-class families with education and job training expenses up to $10,000. This deduction would provide tax-favored treatment to education similar to the benefits for other investments like housing and equipment. It invests in those who invest in themselves and in America.

  **Republicans** do not yet support the education and training tax deduction. With its $20,000 tax cut for the wealthiest 1%, the Contract with America includes tax breaks for capital gains, gifts and inheritances in excess of $600,000, and the depreciation of business purchases--but not for education.

## IV. LIFELONG LEARNING

In order to maintain good job prospects throughout their lives in a fast-changing economy, Americans need to be trained again and again throughout their lives. President Clinton wants to support lifelong learning by reforming job training programs and putting resources and information directly into workers' hands. Republicans just want to slash job training.

- **G.I. Bill OF RIGHTS FOR WORKERS (SKILL GRANTS).** ***President Clinton Supports Skill Grants for America's Workers; Republicans Want a 25% Cut in Job Training Funds.***

  **President Clinton's** G.I. Bill for America's Workers would consolidate or eliminate over 70 job training programs while putting resources and information directly into workers hands as Skill Grants. Under the proposal, low-income or unemployed workers could go to a One-Stop Center and learn about the services and track records of job training programs and community colleges in the fields they wanted to study. Then, they could apply their Skill Grants to skills training at those institutions. The President would provide 800,000 Skill Grants in 1996 alone and increase funding by $2 billion in 2002.

  **Republicans** would cut training opportunities by 20 [House] to 25 percent [Senate].

## V. THE DEPARTMENT OF EDUCATION

President Clinton's commitment to a lifelong learning agenda reflects his belief in the critical role of education in building America's future, and in the federal government's role as a partner in that effort. Everyone acknowledges that states and localities have been and continue to be the lead on education. But education is a national interest, and it requires a national role to ensure that all children have the opportunity to reach challenging standards of academic achievement.

**President Clinton** believes strongly that education is a national issue, and that abolishing the Department of Education now would be the equivalent of abolishing the Department of Defense in the middle of the Cold War.

**Republicans** want to abolish the Department of Education. [House]

# OFFICE OF THE SECRETARY

**The Executive Secretariat**

**U.S. DEPARTMENT OF EDUCATION**

**600 Independence Avenue, S.W.**
**Suite 6213**
**Washington, D.C. 20202-0124**

**Telephone: (202) 401-3067** **Fax Number: (202) 401-2854**


## FAX COVER SHEET

**TO:** Jake Earhart

**FAX NUMBER:** 456-6704

**FROM:** Phil Link

**COMMENTS**

Ida Ghaffari will be sending Issue Briefs via Lotus Notes shortly.

**Sheet #1 of** 10

26-May-95

# William D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 02576900 | Charter College | | Anchorage | AK | Prop 600 Hrs | 1,124,157.00 |

Total: 1 Total Volume: 1,124,157.00

| | | | | | | |
|---|---|---|---|---|---|---|
| 00753100 | Academy of Art College | | San Francisco | CA | Prop 2 Yrs | 4,780,402.00 |
| 03098700 | Academy of Court Reporting | | La Mesa | CA | Prop 600 Hrs | 900,000.00 |
| 02342400 | Academy of Radio Broadcasting | | Huntington Beach | CA | Prop 600 Hrs | 2,022,843.00 |
| 00760500 | Academy Pacific Business & | Travel College | Los Angeles | CA | Prop 600 Hrs | 2,100,529.00 |
| 03019500 | Adelante Career Institute | | Van Nuys | CA | Prop 600 Hrs | 900,000.00 |
| 02327600 | Advertising Arts College | | San Diego | CA | Prop 1 Yr | 982,680.00 |
| 02258400 | Alameda Beauty College | | Alameda | CA | Prop 1 Yr | 9,875.00 |
| 02282300 | Alhambra Beauty College | | Alhambra | CA | Prop 1 Yr | 900,000.00 |
| 02037700 | Almaden Beauty College | | San Jose | CA | Prop 1 Yr | 8,900.00 |
| 00719600 | Ambassador Beauty College | | Burbank | CA | Prop 1 Yr | 900,000.00 |
| 02539400 | American Career College | | Santa Ana | CA | Prop 600 Hrs | 222,098.00 |
| 02241800 | American Career College | | Los Angeles | CA | Prop 600 Hrs | 1,059,116.00 |
| 03589100 | American College of Business | | North Hollywood | CA | Prop 600 Hrs | 17,000.00 |
| 03004900 | American Nanny College | | Montclair | CA | Prop 600 Hrs | 342,206.00 |
| 02306300 | Andon College of Modesto | | Modesto | CA | Prop 600 Hrs | 399,255.00 |
| 02519800 | Avance Beauty College | | San Diego | CA | Prop 1 Yr | 11,080.00 |
| 02343400 | Brownson Technical School | | Anaheim | CA | Prop 1 Yr | 69,370.00 |
| 00716400 | Bryan College of Court Reporting | | Los Angeles | CA | Prop 2 Yrs | 377,354.00 |
| 02563600 | Cabot Colleges | | National City | CA | Prop 1 Yr | 2,155,375.00 |
| 02351900 | California Academy of | Merchandising Art And Design | Sacramento | CA | Prop 2 Yrs | 29,450.00 |
| 00112700 | California College of Arts & | Crafts | Oakland | CA | Priv 5+ Yrs | 3,083,389.00 |
| 02110800 | California College of Health | Sciences Resident Only | National City | CA | Prop 600 Hrs | 267,223.00 |
| 02086400 | California Cosmetology College | San Jose | San Jose | CA | Prop 1 Yr | 900,000.00 |
| 02220200 | California Culinary Academy | | San Francisco | CA | Prop 600 Hrs | 3,540,428.00 |
| 00113100 | California Institute of | Technology | Pasadena | CA | Priv 5+ Yrs | 172,601.00 |

26-May-95

# Wi am D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 00113300 | California Lutheran University | | Thousand Oaks | CA | Priv 4 Yrs | 3,088,656.00 |
| 03080500 | California Medical School of | Shiatsu | Fresno | CA | Prop 300 Hrs | 900,000.00 |
| 02619600 | California Nannie College | | Sacramento | CA | Prop 600 Hrs | 300,070.00 |
| 02112300 | California School of Court | Reporting | Santa Ana | CA | Prop 2 Yrs | 1,173,169.00 |
| 03069300 | California School of Court | Reporting Riverside | Riverside | CA | Prop 600 Hrs | 1,053,280.00 |
| 00799300 | California State College | Bakersfield | Bakersfield | CA | Pub 4 Yrs | 3,746,705.00 |
| 00113800 | California State College Hayward | | Hayward | CA | Pub 5+ Yrs | 5,104,187.00 |
| 00114600 | California State University | Chico | Chico | CA | Pub 5+ Yrs | 14,571,610.00 |
| 00114100 | California State University | Dominguez Hills | Carson | CA | Pub 5+ Yrs | 4,503,071.00 |
| 00114700 | California State University | Fresno | Fresno | CA | Pub 5+ Yrs | 13,380,587.00 |
| 00114000 | California State University | Los Angeles | Los Angeles | CA | Pub 5+ Yrs | 7,886,915.00 |
| 00115300 | California State University | Northridge | Northridge | CA | Pub 5+ Yrs | 13,652,213.00 |
| 00115000 | California State University | Sacramento | Sacramento | CA | Pub 5+ Yrs | 15,784,302.00 |
| 03011300 | California State University | San Marcos | San Marcos | CA | Pub 3 Yrs | 2,279,600.00 |
| 03083400 | Career West Academy | | Chico | CA | Prop 600 Hrs | 908,586.00 |
| 01307500 | Carmichael Beauty College | | Carmichael | CA | Prop 600 Hrs | 2,625.00 |
| 00673100 | Casa Loma College | | Sylmar | CA | Priv 1 Yr | 1,256,637.00 |
| 02619900 | Catherine College | | Panorama City | CA | Prop 1 Yr | 1,326,797.00 |
| 02332800 | Center For Employment Training | | San Jose | CA | Priv 1 Yr | 1,143,005.00 |
| 03097700 | Central California School of | Continuing Education | San Luis Obispo | CA | Prop 1 Yr | 900,000.00 |
| 02602300 | Central Coast College of | Business Data Processing | Salinas | CA | Prop 600 Hrs | 107,127.00 |
| 00116100 | Cerritos College | | Norwalk | CA | Pub 2 Yrs | 867,075.00 |
| 00729800 | Coleman College | | La Mesa | CA | Priv 5+ Yrs | 4,429,888.00 |
| 02220000 | Colleen Ohara Beauty Academy | | Orange | CA | Prop 1 Yr | 65,625.00 |
| 00572000 | College of Alameda | | Alameda | CA | Pub 2 Yrs | 900,000.00 |
| 00959100 | Computer Learning Center | | Los Angeles | CA | Prop 1 Yr | 5,873,520.00 |
| 02312000 | Computer Learning Center | | San Francisco | CA | Prop 1 Yr | 2,434,231.00 |
| 03064200 | Computer Learning Center of | Anaheim | Anaheim | CA | Prop 1 Yr | 2,183,423.00 |
| 03063000 | Computer Learning Center San | Jose | San Jose | CA | Prop 600 Hrs | 1,980,150.00 |
| 02277000 | Contempo School of Beauty | | Inglewood | CA | Prop 1 Yr | 900,000.00 |
| 00119000 | Contra Costa College | | San Pablo | CA | Pub 2 Yrs | 143,199.00 |
| ~~00119200~~ | ~~Cuesta Community College~~ | | ~~San Luis Obispo~~ | CA | Pub 2 Yrs | 686,239.00 |
| 02552200 | Culver City Beauty College | | Culver City | CA | Prop 1 Yr | 900,000.00 |
| 00119300 | Cypress College | | Cypress | CA | Pub 2 Yrs | 538,342.00 |
| 02298000 | Design Institute of San Diego | | San Diego | CA | Prop 4 Yrs | 551,548.00 |
| 03019600 | DMC Automotive Training School | | Placentia | CA | Prop 1 Yr | 21,000.00 |
| 00724600 | Dons Beauty School | | San Mateo | CA | Prop 1 Yr | 28,130.00 |
| 00886800 | Dons Beauty School | | Oakland | CA | Prop 1 Yr | 900,000.00 |

26-May-95

# Willi  D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
## Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 00119700 | El Camino College | | Torrance | CA | Pub 2 Yrs | 991,660.00 |
| 02091200 | Elegance International | | Los Angeles | CA | Prop 300 Hrs | 157,812.00 |
| 02054900 | Elegante Beauty College | | Laguna Hills | CA | Prop 1 Yr | 900,000.00 |
| 01263100 | Elegante School of Hair Design | | La Puente | CA | Prop 1 Yr | 900,000.00 |
| 03094400 | Elite Progressive School of | Cosmetology | Sacramento | CA | Prop 1 Yr | 900,000.00 |
| 02609000 | Emperors College of | Traditional Oriental Medicine | Santa Monica | CA | Prop 5+ Yrs | 939,589.00 |
| 00903200 | Empire College | | Santa Rosa | CA | Prop 1 Yr | 1,930,485.00 |
| 02234300 | Fashion Careers of California | | San Diego | CA | Prop 1 Yr | 222,250.00 |
| 00859700 | Feather River Community College | District | Quincy | CA | Pub 2 Yrs | 148,981.00 |
| 00723300 | Federico Colleges of Hairstyling | | Sacramento | CA | Prop 1 Yr | 252,389.00 |
| 00119900 | Foothill College Foothill Deanza | Community College District | Los Altos | CA | Pub 2 Yrs | 371,186.00 |
| 02230900 | Fredrick & Charles Beauty | College | Eureka | CA | Prop 1 Yr | 44,487.00 |
| 02298300 | Fremont Beauty College | | Fremont | CA | Prop 1 Yr | 900,000.00 |
| 00130700 | Fresno City College | | Fresno | CA | Pub 2 Yrs | 777,402.00 |
| 03067500 | Fresno Institute of Technology | | Fresno | CA | Prop 1 Yr | 12,250.00 |
| 00120100 | Fullerton College | | Fullerton | CA | Pub 2 Yrs | 989,617.00 |
| 01304600 | Gamaye Academy of Cosmetology | | San Jose | CA | Prop 1 Yr | 900,000.00 |
| 02299600 | Gino Robair Beauty College | | Riverside | CA | Prop 1 Yr | 900,000.00 |
| 01253000 | Girards College of Beauty | | Santa Ana | CA | Prop 600 Hrs | 900,000.00 |
| 02338500 | Glendale Career College | | Glendale | CA | Prop 600 Hrs | 3,742,407.00 |
| 00120500 | Golden Gate University | | San Francisco | CA | Priv 5+ Yrs | 13,952,302.00 |
| 00120600 | Golden West College | | Huntington Beach | CA | Pub 2 Yrs | 1,468,662.00 |
| 00121100 | Heald Business College | | San Jose | CA | Priv 2 Yrs | 1,419,127.00 |
| 00723400 | Heald Business College | | San Francisco | CA | Priv 2 Yrs | 2,051,433.00 |
| 00853200 | Heald Business College | | Hayward | CA | Priv 2 Yrs | 2,147,993.00 |
| 00747700 | Heald Business College | | Rancho Cordova | CA | Priv 2 Yrs | 4,090,909.00 |
| 00809300 | Heald Business College | | Fresno | CA | Prop 2 Yrs | 1,342,402.00 |
| 02262300 | Heald Business College | | Santa Rosa | CA | Priv 2 Yrs | 1,075,160.00 |
| 02079800 | Heald Business College | | Concord | CA | Priv 2 Yrs | 1,535,367.00 |
| 03034000 | Heald Business College | | Salinas | CA | Priv 2 Yrs | 928,649.00 |
| 00121000 | Heald Institute of Technology | | San Francisco | CA | Priv 2 Yrs | 1,950,718.00 |
| 02593200 | Heald Institute of Technology | | San Jose | CA | Priv 2 Yrs | 2,640,103.00 |
| 02187500 | Heald Institute of Technology | | Martinez | CA | Priv 2 Yrs | 2,233,001.00 |
| 02593100 | Heald Institute of Technology | | Sacramento | CA | Priv 2 Yrs | 2,477,309.00 |
| 02592900 | Heald Institute of Technology | | Hayward | CA | Priv 2 Yrs | 1,796,128.00 |
| 02285100 | Hilltop Beauty School | | Daly City | CA | Prop 1 Yr | 900,000.00 |
| 00114900 | Humboldt State University | | Arcata | CA | Pub 5+ Yrs | 7,351,413.00 |
| 02496000 | Huntington College of Dental | Technology | Huntington Beach | CA | Prop 1 Yr | 37,375.00 |

# William ). Ford Federal Direct L ı Program
## Schools Selected for Years 1, 2 and 3
## Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 02345900 | Hypnosis Motivation Institute | | Tarzana | CA | Priv 1 Yr | 780,627.00 |
| 02128300 | Institute For Business & | Technology | Santa Clara | CA | Prop 1 Yr | 1,792,017.00 |
| 02140600 | Institute of Business & Medical | Technology | Palm Desert | CA | Prop 600 Hrs | 2,332,032.00 |
| 02520300 | Interior Designers Institute | | Newport Beach | CA | Prop 1 Yr | 845,429.00 |
| 03062200 | International Business Institute | | Lake Forest | CA | Prop 600 Hrs | 900,000.00 |
| 02255400 | International School of | Cosmetology | Hawthorne | CA | Prop 1 Yr | 15,750.00 |
| 02116800 | Irvine College of Business | | Irvine | CA | Prop 1 Yr | 72,870.00 |
| 02120900 | ITT Technical Institute | | Sacramento | CA | Prop 2 Yrs | 707,931.00 |
| 01202600 | Je Boutique College of Beauty | | El Cajon | CA | Prop 1 Yr | 16,690.00 |
| 02561100 | Jewelry Technical Institute | | Garden Grove | CA | Prop 600 Hrs | 318,425.00 |
| 00926800 | Kelsey Jenney College | | San Diego | CA | Priv 5+ Yrs | 6,580,601.00 |
| 00130800 | Kings River Community College | | Reedley | CA | Pub 2 Yrs | 577,151.00 |
| 02150100 | Kristofers School of Beauty | | Santa Barbara | CA | Prop 1 Yr | 16,125.00 |
| 00126600 | Laney College | | Oakland | CA | Pub 2 Yrs | 401,876.00 |
| 00121700 | Lassen College | | Susanville | CA | Pub 2 Yrs | 900,000.00 |
| 02494800 | Lola Beauty College | | Garden Grove | CA | Prop 1 Yr | 900,000.00 |
| 00121900 | Long Beach Community College | District Long Beach City College | Long Beach | CA | Pub 2 Yrs | 2,414,826.00 |
| 00122300 | Los Angeles City College | | Los Angeles | CA | Pub 2 Yrs | 488,051.00 |
| 00122400 | Los Angeles Harbor College | | Wilmington | CA | Pub 2 Yrs | 129,735.00 |
| 01255000 | Los Angeles Mission College | | Sylmar | CA | Pub 2 Yrs | 15,505.00 |
| 00122600 | Los Angeles Pierce College | | Woodland Hills | CA | Pub 2 Yrs | 334,786.00 |
| 02612800 | Los Angeles Recording Workshop | | Studio City | CA | Prop 600 Hrs | 196,805.00 |
| 00704700 | Los Angeles Southwest College | | Los Angeles | CA | Pub 2 Yrs | 30,987.00 |
| 00122800 | Los Angeles Valley College | | Van Nuys | CA | Pub 2 Yrs | 264,997.00 |
| 02208600 | Madera Beauty College | | Madera | CA | Prop 1 Yr | 900,000.00 |
| 01231600 | Manchester Beauty College | | Fresno | CA | Prop 1 Yr | 4,506.00 |
| 02091700 | Maric College of Medical | Careers | San Diego | CA | Prop 1 Yr | 3,819,828.00 |
| 02349000 | Maric College of Medical Careers | | San Marcos | CA | Prop 1 Yr | 3,154,189.00 |
| 02204700 | Marin Beauty College | | San Rafael | CA | Prop 600 Hrs | 88,126.00 |
| 00745700 | Marinello School of Beauty | | Inglewood | CA | Prop 600 Hrs | 9,725.00 |
| 00745600 | Marinello School of Beauty | | Buena Park | CA | Prop 600 Hrs | 900,000.00 |
| 00723800 | Marinello School of Beauty | | North Hollywood | CA | Prop 600 Hrs | 11,000.00 |
| 00721000 | Marinello School of Beauty | | Reseda | CA | Prop 600 Hrs | 15,533.00 |
| 00898100 | Marinello School of Beauty | | Whittier | CA | Prop 600 Hrs | 2,625.00 |
| 00722600 | Marinello School of Beauty | | San Diego | CA | Prop 600 Hrs | 22,710.00 |
| 00721900 | Marinello School of Beauty | | San Bernardino | CA | Prop 600 Hrs | 900,000.00 |
| 01076800 | Marinello School of Beauty | | Ontario | CA | Prop 600 Hrs | 900,600.00 |
| 00714800 | Marinello Schools of Beauty | | Los Angeles | CA | Prop 600 Hrs | 50,950.00 |

26-May-95

# William D. Ford Federal Direct Lc n Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 00123700 | Merced College | | Merced | CA | Pub 2 Yrs | 900,000.00 |
| 01215400 | Merit College | | Van Nuys | CA | Prop 1 Yr | 3,798,557.00 |
| 01322000 | Milpitas Beauty College | | Milpitas | CA | Prop 1 Yr | 6,885.00 |
| 02501200 | Milpitas Electrolysis & | Thermolysis College | Milpitas | CA | Prop 600 Hrs | 140,300.00 |
| 02308700 | Miss Martys School of Beauty & | Hairstyling | San Francisco | CA | Prop 1 Yr | 900,000.00 |
| 01244500 | Modern Beauty Academy | | Los Angeles | CA | Prop 1 Yr | 2,625.00 |
| 02539100 | Modern Technology School of | X-Ray | North Hollywood | CA | Prop 1 Yr | 1,192,618.00 |
| 00847800 | Moler Barber College | | San Francisco | CA | Prop 1 Yr | 14,671.00 |
| 02345800 | Montebello Beauty College | | Montebello | CA | Prop 1 Yr | 900,000.00 |
| 01307800 | Monterey Academy of Hair Design | | San Jose | CA | Prop 1 Yr | 900,000.00 |
| 00124200 | Monterey Peninsula College | | Monterey | CA | Pub 2 Yrs | 135,485.00 |
| 02205700 | Moro Beauty College | | Glendale | CA | Prop 1 Yr | 900,000.00 |
| 00124500 | Mt San Antonio College | | Walnut | CA | Pub 2 Yrs | 323,686.00 |
| 02519600 | MTI College | | Orange | CA | Prop 1 Yr | 637,595.00 |
| 01291200 | MTI Western Business College | | Sacramento | CA | Prop 1 Yr | 563,534.00 |
| 00124700 | Napa Valley College | | Napa | CA | Pub 2 Yrs | 135,747.00 |
| 01110700 | National Education Center | Bryman Campus | Orangeburg | CA | Prop 1 Yr | 897,937.00 |
| 01102400 | National Education Center | Bryman Campus | San Francisco | CA | Prop 600 Hrs | 1,288,571.00 |
| 01110900 | National Education Center | Bryman Campus | Winnetka | CA | Prop 600 Hrs | 1,206,942.00 |
| 01146000 | National University | | San Diego | CA | Priv 5+ Yrs | 900,000.00 |
| 03024500 | Nationwide Beauty College | | Pomona | CA | Prop 1 Yr | 900,000.00 |
| 02584200 | Newbridge College | | Tustin | CA | Prop 600 Hrs | 949,601.00 |
| 01170700 | North West College of Medical & | Dental Assistants | West Covina | CA | Prop 1 Yr | 402,713.00 |
| 02591600 | North West College of Medical & | Dental Assistants | Pasadena | CA | Prop 600 Hrs | 161,209.00 |
| 01287200 | Northwest College of Medical & | Dental Assistants | Pomona | CA | Prop 1 Yr | 553,596.00 |
| 00125000 | Orange Coast College | | Costa Mesa | CA | Pub 2 Yrs | 1,714,815.00 |
| 00793100 | Pacific Travel Trade School | | Santa Ana | CA | Prop 600 Hrs | 430,266.00 |
| 02537200 | Palomar Institute of Cosmetology | | San Marcos | CA | Prop 1 Yr | 78,907.00 |
| 00126100 | Pasadena City College | | Pasadena | CA | Pub 2 Yrs | 697,098.00 |
| 00449000 | Patten College | | Oakland | CA | Priv 4 Yrs | 440,291.00 |
| 02624000 | Platt College | | Ontario | CA | Prop 600 Hrs | 1,195,820.00 |
| 03062700 | Platt College | | Los Angeles | CA | Prop 600 Hrs | 1,014,274.00 |
| 02620300 | Platt College | | Newport Beach | CA | Prop 600 Hrs | 925,594.00 |
| 03039900 | Platt College | | Cerritos | CA | Prop 600 Hrs | 579,122.00 |
| 03040000 | Platt College | | San Francisco | CA | Prop 600 Hrs | 517,119.00 |
| 02343400 | Poway Academy of Hair Design | | Poway | CA | Prop 1 Yr | 36,181.00 |
| 01162600 | Practical Schools | | Anaheim | CA | Prop 600 Hrs | 584,391.00 |
| 01298400 | Professional Institute of Beauty | | El Monte | CA | Prop 1 Yr | 900,000.00 |

26-May-95

# William D. Ford Federal Direct L Program
## Schools Selected for Years 1, 2 and 3
## Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 00720300 | Richards Beauty College | | Ontario | CA | Prop 1 Yr | 900,000.00 |
| 00126900 | Rio Hondo Junior College | | Whittier | CA | Pub 2 Yrs | 1,314,268.00 |
| 01294200 | Rosemead Beauty School | | Rosemead | CA | Prop 1 Yr | 72,098.00 |
| 03054100 | Royale College of Beauty | | Temecula | CA | Prop 1 Yr | 10,000.00 |
| 00127300 | San Diego City College | | San Diego | CA | Pub 2 Yrs | 1,926,358.00 |
| 00127500 | San Diego Mesa College | | San Diego | CA | Pub 2 Yrs | 1,054,074.00 |
| 01182000 | San Diego Miramar College | | San Diego | CA | Pub 2 Yrs | 220,793.00 |
| 00115100 | San Diego State University | | San Diego | CA | Pub 5+ Yrs | 34,224,689.00 |
| 00722900 | San Fernando Beauty Academy | | Sylmar | CA | Prop 600 Hrs | 900,000.00 |
| 00115400 | San Francisco State University | | San Francisco | CA | Pub 5+ Yrs | 16,059,442.00 |
| 00127900 | San Francisco Theological | Seminary | San Anselmo | CA | Priv 5+ Yrs | 239,506.00 |
| 02141900 | San Gorgonio Beauty College | | Banning | CA | Prop 1 Yr | 60,100.00 |
| 00128000 | San Joaquin Delta College | | Stockton | CA | Pub 2 Yrs | 531,592.00 |
| 02120700 | San Joaquin Valley College | | Visalia | CA | Prop 1 Yr | 3,711,948.00 |
| 02313500 | San Joaquin Valley College of | Medical & Dental Career | Bakersfield | CA | Prop 600 Hrs | 2,310,205.00 |
| 00724500 | San Jose Beauty College | | San Jose | CA | Prop 1 Yr | 2,625.00 |
| 00998900 | Santa Barbara Business College | | Santa Barbara | CA | Prop 1 Yr | 956,233.00 |
| 02578000 | Santa Barbara Business College | | Santa Maria | CA | Prop 1 Yr | 894,117.00 |
| 02577900 | Santa Barbara Business College | | Bakersfield | CA | Prop 1 Yr | 651,378.00 |
| 03072700 | Santa Barbara Business College | | Fremont | CA | Prop 600 Hrs | 388,355.00 |
| 00128500 | Santa Barbara City College | | Santa Barbara | CA | Pub 2 Yrs | 675,025.00 |
| 00900000 | Santa Clara Beauty College | | Santa Clara | CA | Prop 1 Yr | 107,875.00 |
| 00132600 | Santa Clara University | | Santa Clara | CA | Priv 5+ Yrs | 16,232,588.00 |
| 02051100 | Santa Maria Beauty College | | Santa Maria | CA | Prop 1 Yr | 900,000.00 |
| 00128700 | Santa Rosa Junior College | | Santa Rosa | CA | Pub 2 Yrs | 824,282.00 |
| 02542000 | Sierra Academy of Aeronautics | Technicians Institute | Oakland | CA | Prop 1 Yr | 2,539,492.00 |
| 00129000 | Sierra College | | Rocklin | CA | Pub 2 Yrs | 218,280.00 |
| 02188400 | Sierra Valley Business College | | Fresno | CA | Prop 1 Yr | 1,072,116.00 |
| 03069300 | Silicon Valley College | | Fremont | CA | Prop 600 Hrs | 1,488,962.00 |
| 00115600 | Sonoma State University | | Rohnert Park | CA | Pub 5+ Yrs | 4,172,597.00 |
| 02608900 | Sound Masters Recording | Engineering Schools Audio | North Hollywood | CA | Prop 600 Hrs | 324,325.00 |
| 02597300 | South Baylo University | | Garden Grove | CA | Priv 3 Yrs | 272,825.00 |
| 02277400 | South Coast College of Court | Reporting | Anaheim | CA | Prop 1 Yr | 3,043,361.00 |
| 03014400 | Southern California College of | Business & Law | Brea | CA | Prop 600 Hrs | 1,212,357.00 |
| 03044300 | Southern California College of | Court Reporting | Anaheim | CA | Prop 2 Yrs | 617,446.00 |
| 00129400 | Southwestern College | | Chula Vista | CA | Pub 2 Yrs | 440,571.00 |
| 00129900 | St. Johns Seminary College | | Camarillo | CA | Priv 4 Yrs | 100,606.00 |
| 02497300 | Trinity Business College | | San Francisco | CA | Prop 600 Hrs | 2,846,235.00 |

26-May-95

# William D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPB | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 02359100 | United Education Institute | | Los Angeles | CA | Prop 1 Yr | 7,875.00 |
| 03063300 | Universal Computing Institute | | Reseda | CA | Prop 600 Hrs | 900,000.00 |
| 00131300 | University of California | Berkeley | Berkeley | CA | Pub 5+ Yrs | 50,384,676.00 |
| 00131600 | University of California | Riverside | Riverside | CA | Pub 5+ Yrs | 12,429,888.00 |
| 00131900 | University of California | San Francisco | San Francisco | CA | Pub 5+ Yrs | 8,528,231.00 |
| 00132000 | University of California | Santa Barbara | Santa Barbara | CA | Pub 5+ Yrs | 20,419,841.00 |
| 00132100 | University of California | Santa Cruz | Santa Cruz | CA | Pub 5+ Yrs | 14,345,241.00 |
| 00131300 | University of California Davis | | Davis | CA | Pub 5+ Yrs | 22,374,866.00 |
| 00131400 | University of California Irvine | | Irvine | CA | Pub 5+ Yrs | 23,584,784.00 |
| 00132900 | University of Pacific | | Stockton | CA | Priv 5+ Yrs | 18,249,797.00 |
| 00132500 | University of San Francisco | | San Francisco | CA | Priv 4 Yrs | 21,832,968.00 |
| 00132800 | University of Southern | California | Los Angeles | CA | Priv 4 Yrs | 65,783,939.00 |
| 00989800 | Valley Commercial College | | Modesto | CA | Prop 1 Yr | 1,065,716.00 |
| 02128200 | Victor Valley Beauty College | | Victorville | CA | Prop 1 Yr | 261,141.00 |
| 00133500 | Victor Valley College | | Victorville | CA | Pub 2 Yrs | 6,800.00 |
| 02342700 | Vista College | | Berkeley | CA | Pub 2 Yrs | 39,415.00 |
| 02093200 | Watterson College | | Oxnard | CA | Prop 1 Yr | 3,631,079.00 |
| 02057800 | Waynes College of Beauty | | Watsonville | CA | Prop 1 Yr | 900,000.00 |
| 00117600 | West Hills Community College | | Coalinga | CA | Pub 2 Yrs | 93,253.00 |
| 00859600 | West Los Angeles College | | Culver City | CA | Pub 2 Yrs | 801,452.00 |
| 00133800 | West Valley Joint Community | College District | Saratoga | CA | Pub 2 Yrs | 476,563.00 |
| 03062300 | Westech College | | Pomona | CA | Prop 600 Hrs | 199,589.00 |
| 02318000 | Western Beauty College | | Los Angeles | CA | Prop 1 Yr | 305,049.00 |
| 00974800 | Western Career College | | Sacramento | CA | Prop 1 Yr | 4,100,476.00 |
| 01308100 | Westgate Beauty College | | San Jose | CA | Prop 1 Yr | 900,080.00 |

Total: 240 Total Volume: 665,483,747.00

| OPB | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 03020900 | New York Technical Institute of | Hawaii | Honolulu | HI | Prop 600 Hrs | 45,013.00 |
| 00017800 | Travel Institute of The Pacific | | Honolulu | HI | Prop 300 Hrs | 49,966.00 |

Total: 2 Total Volume: 94,979.00

26-May-95

# William D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPE | SCHOOLNAME | | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|---|
| 00953200 | A Art College of Beauty | | Eugene | OR | Prop 1 Yr | 130,125.00 |
| 01050700 | Academy of Hair Design | | Salem | OR | Prop 1 Yr | 87,537.00 |
| 02154400 | Beau Monde College of Hair | Design | Portland | OR | Prop 1 Yr | 353,967.00 |
| 00318900 | Clatsop Community College | | Astoria | OR | Pub 2 Yrs | 105,837.80 |
| 02521600 | Columbia College of Business | | Clackamas | OR | Prop 1 Yr | 1,551,079.00 |
| 00319300 | Eastern Oregon State College | | La Grande | OR | Pub 5+ Yrs | 3,610,848.00 |
| 02201900 | Edward Wadsworth Institute For | Hair Design | Portland | OR | Prop 1 Yr | 130,385.00 |
| 00319400 | George Fox College | | Newberg | OR | Priv 4 Yrs | 3,103,794.00 |
| 03074400 | Newport Academy of Cosmetology | Careers | Newport | OR | Prop 1 Yr | 16,295.00 |
| 02378800 | Northwest Nannies Institute | | Lake Oswego | OR | Prop 1 Yr | 89,344.00 |
| 01267800 | Oregon City Beauty School | | Oregon City | OR | Prop 1 Yr | 56,699.00 |
| 02247100 | Oregon College of Beauty & | Barbering | Hermiston | OR | Prop 1 Yr | 10,500.00 |
| 00488200 | Oregon Health Sciences | University | Portland | OR | Pub 5+ Yrs | 8,837,200.00 |
| 00321000 | Oregon State University | | Corvallis | OR | Pub 5+ Yrs | 20,012,644.00 |
| 00321200 | Pacific University | | Forest Grove | OR | Priv 4 Yrs | 10,751,854.00 |
| 02330100 | Pioneer Pacific College | | Wilsonville | OR | Prop 1 Yr | 996,022.00 |
| 00321600 | Portland State University | | Portland | OR | Pub 5+ Yrs | 18,528,191.00 |
| 00321900 | Southern Oregon State College | | Ashland | OR | Pub 5+ Yrs | 8,206,458.00 |
| 00958100 | Springfield College of Beauty | | Springfield | OR | Prop 1 Yr | 141,207.00 |
| 00322100 | Treasure Valley Community | College | Ontario | OR | Pub 2 Yrs | 314,628.00 |
| 00322200 | Umpqua Community College | | Roseburg | OR | Pub 2 Yrs | 900,000.00 |
| 00322300 | University of Oregon | | Eugene | OR | Pub 5+ Yrs | 26,939,364.00 |
| 00133900 | Western Baptist College | | Salem | OR | Priv 4 Yrs | 1,405,620.00 |
| 00320900 | Western Oregon State College | | Monmouth | OR | Pub 5+ Yrs | 6,883,464.00 |
| 00322700 | Willamette University | | Salem | OR | Priv 5+ Yrs | 11,907,733.00 |

Total: 25 Total Volume: 127,073,215.00

26-May-95

# William D. Ford Federal Direct Loan Program
## Schools Selected for Years 1, 2 and 3
### Combined

| OPE | SCHOOLNAME | City | State | Type/Control | 1993 GSL Volume |
|---|---|---|---|---|---|
| 01200200 | Academy Cosmetology | Seattle | WA | Prop 1 Yr | 286,374.00 |
| 02504900 | Academy of Hair Design | Wenatchee | WA | Prop 1 Yr | 106,784.00 |
| 02291300 | Art Institute of Seattle | Seattle | WA | Prop 2 Yrs | 8,613,332.00 |
| 02541900 | B Js Beauty & Barber College | Tacoma | WA | Prop 1 Yr | 11,187.00 |
| 02105300 | Bellevue Beauty School | Bellevue | WA | Prop 1 Yr | 900,000.00 |
| 01309400 | Bellingham Beauty School | Bellingham | WA | Prop 1 Yr | 159,242.00 |
| 02532100 | Business Computer Training Institute | Everett | WA | Prop 1 Yr | 7,962,919.00 |
| 00377100 | Central Washington University | Ellensburg | WA | Pub 3+ Yrs | 11,236,135.00 |
| 01302200 | City University | Bellevue | WA | Priv 3+ Yrs | 6,025,712.00 |
| 02231100 | Crown Academy | Tacoma | WA | Prop 1 Yr | 520,194.00 |
| 01148100 | Divers Institute of Technology | Seattle | WA | Prop 600 Hrs | 1,800,250.00 |
| 00377500 | Eastern Washington University | Cheney | WA | Pub 3+ Yrs | 13,454,267.00 |
| 02300100 | Eton Technical Institute | Port Orchard | WA | Prop 1 Yr | 3,934,965.00 |
| 00815500 | Evergreen State College | Olympia | WA | Pub 4 Yrs | 4,495,611.00 |
| 02203300 | Gene Juarez Beauty Colleges | Seattle | WA | Prop 1 Yr | 350,333.00 |
| 01249600 | Greenwood Beauty School | Seattle | WA | Prop 1 Yr | 90,374.00 |
| 02222900 | International Air Academy | Vancouver | WA | Prop 300 Hrs | 2,703,636.00 |
| 01231800 | Lacey Beauty College | Lacey | WA | Prop 1 Yr | 29,338.00 |
| 02544600 | Magee Bros Beauty School | Vancouver | WA | Prop 1 Yr | 153,615.00 |
| 02331400 | Mt. Vernon Beauty School | Mt Vernon | WA | Prop 1 Yr | 133,197.00 |
| 00938700 | Perry Technical Institute | Yakima | WA | Priv 2 Yrs | 736,622.00 |
| 02236800 | Professional Beauty School | Wapato | WA | Prop 1 Yr | 900,000.00 |
| 00379300 | Spokane Community College | Spokane | WA | Pub 2 Yrs | 3,848,712.00 |
| 00954400 | Spokane Falls Community College | Spokane | WA | Pub 2 Yrs | 1,426,300.00 |
| 00379800 | University of Washington | Seattle | WA | Pub 3+ Yrs | 49,699,782.00 |
| 02496200 | Vancouver School of Beauty | Vancouver | WA | Prop 1 Yr | 49,138.00 |
| 00380200 | Western Washington University | Bellingham | WA | Pub 3+ Yrs | 12,517,333.00 |

Total: 27 Total Volume: 131,343,774.00

## HOW THE REPUBLICAN BLOCK GRANTS CUT SCHOOL LUNCHES

**When it comes time to pay for their tax cuts for the wealthiest, the Republicans themselves acknowledge that they are cutting $2.3 billion from school nutrition.** In their official budgeting--the official "scoring" by the Congressional Budget Office--the Republicans show $2.3 billion in savings from school lunches over 5 years. They need those savings to pay for their $630 billion in tax cuts targeted at the wealthiest few.

**The real question is: Are the Republicans cutting off kids who would otherwise be helped over the next five years? The answer is Yes.**

* **For 1996, the Republicans don't even provide enough funding to match inflation.** Their block grant rises by 2.5% over CBO's baseline. Inflation is projected to be 3.2%--and there will be program growth in addition. The plan cuts $200 million just in 1996.
* **From 1996 to 2000, the Republican plan doesn't grow at 4.5% per year, and it doesn't keep up with inflation and program growth.** The Republican plan grows by an average of 3.8% between 1995 and 2000--not 4.5% as falsely claimed. But on top of 3.2% annual inflation, the number of children in school will grow by about 1.6% per year in this period--and by over 4 million kids by 2000. And, on top of *that*, the school breakfast program needs to expand by over 5% per year to make sure that kids who need breakfast get them. The Republican plan won't keep up with any of this growth.

**If the Republican plan had been in place starting in 1989, funding would have been 17 percent below its actual level in 1994--and one million children could not have received free lunches.** Between 1989 and 1994, over one million children were added to the school lunch rolls. The Republican plan wouldn't have provided funding for that increase--and the children would not have received free meals.

**The Republican plan eliminates safeguards that protect children's nutrition.**

* **No adjustment in recession.** Today, the lunch program expands when our children's needs grow during recession. Under the block grant, there would be no added funding to meet the added need: it would be tough luck for kids.
* **The return of ketchup.** The plan eliminates nutritional requirements for lunches. States that are squeezed for cash will need to reduce the quality of meals.
* **No guaranteed free lunches for poor children.** Republicans voted down an amendment to retain the current requirement that poor children receive free lunches.

**It's not true that the Republicans are targeting the program to the poor: their plan shifts funding *away* from those who need it most.** The Republicans' funding formula would provide reimbursement based partly on the number of meals served, rather than on the type of meals (subsidized or not). As a result, funds would shift from states with more poor children to states with fewer poor children. **This measure creates a perverse incentive for states to reduce the number and quality of meals to poor children in order to serve more meals total.**

**Administrative savings under the Republican plan will be minuscule. The proposal cuts kids, not bureaucracy.**

* Federal administrative savings come to about $110 million for all the child nutrition programs (including WIC, etc.) over 5 years--**only about 2% of the total savings that CBO projects from child nutrition cuts.**
* For States, this block grant actually authorizes **higher** administrative costs than the current entitlement--2% in the future compared to 1.5% now.

## Estimated Impact of Stafford Loan In-School Interest Subsidy for FY 1994

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Alabama–Total | 56,554 | $28,176 |
| 1 | 8,304 | $4,057 |
| 2 | 5,652 | $2,386 |
| 3 | 12,022 | $6,190 |
| 4 | 707 | $186 |
| 5 | 6,743 | $2,922 |
| 6 | 9,948 | $6,101 |
| 7 | 13,178 | $6,333 |
| Alaska–Total | 3,474 | $1,209 |
| Arizona–Total | 81,319 | $38,167 |
| 1 | 21,547 | $11,245 |
| 2 | 25,880 | $14,140 |
| 3 | 8,744 | $4,668 |
| 4 | 18,030 | $6,245 |
| 5 | 6,104 | $1,629 |
| 6 | 1,013 | $241 |
| Arkansas–Total | 34,060 | $15,832 |
| 1 | 5,873 | $2,479 |
| 2 | 14,290 | $7,427 |
| 3 | 7,066 | $3,386 |
| 4 | 6,831 | $2,540 |
| California–Total | 382,522 | $203,287 |
| 1 | 5,310 | $2,394 |
| 2 | 7,711 | $3,282 |
| 3 | 10,774 | $5,926 |
| 4 | 201 | $48 |
| 5 | 11,249 | $5,688 |
| 6 | 4,493 | $1,779 |
| 7 | 2,312 | $611 |
| 8 | 14,808 | $10,915 |
| 9 | 21,299 | $13,609 |
| 10 | 3,057 | $2,128 |
| 11 | 5,746 | $2,867 |
| 12 | 8,164 | $5,624 |
| 13 | 6,940 | $3,024 |
| 14 | 7,604 | $4,663 |
| 15 | 7,475 | $3,457 |
| 16 | 9,155 | $3,911 |
| 17 | 6,528 | $3,055 |
| California–Continued | | |
| 18 | 1,904 | $683 |
| 19 | 8,181 | $3,322 |
| 20 | 1,298 | $945 |
| 21 | 3,727 | $1,080 |
| 22 | 16,318 | $8,070 |
| 23 | 2,311 | $642 |
| 24 | 6,414 | $4,022 |
| 25 | 8,797 | $3,978 |
| 26 | 4,031 | $1,376 |
| 27 | 5,579 | $3,004 |
| 28 | 8,567 | $4,620 |
| 29 | 20,917 | $12,608 |
| 30 | 6,341 | $3,651 |
| 31 | 5,529 | $2,761 |
| 32 | 15,381 | $12,024 |
| 33 | 5,281 | $1,687 |
| 34 | 3,978 | $3,631 |
| 35 | 921 | $795 |
| 36 | 5,192 | $3,478 |
| 37 | 2,609 | $1,140 |
| 38 | 11,172 | $4,704 |
| 39 | 10,801 | $6,421 |
| 40 | 8,031 | $4,645 |
| 41 | 6,603 | $3,590 |
| 42 | 2,617 | $586 |
| 43 | 6,550 | $2,784 |
| 44 | 912 | $201 |
| 45 | 3,787 | $1,068 |
| 46 | 4,040 | $1,360 |
| 47 | 14,786 | $7,418 |
| 48 | 1,593 | $341 |
| 49 | 37,100 | $19,938 |
| 50 | 2,043 | $508 |
| 51 | 4,624 | $2,727 |
| 52 | 1,760 | $501 |

Student and Subsidy estimates are for fiscal year 1994. Amounts in thousands of dollars.

In school interest subsidy is provided to students with Stafford loans in the Federal Family Education Loan Program and the Ford Direct Loan Program. The amount estimated is total subsidy paid for students in schools in the state currently enrolled at least half-time.

Many proposals to alter the in school interest subsidy would affect only new loans made after a certain date. In this circumstance, in school interest subsidy would continue to be paid for current borrowers. Additionally, FFEL borrowers generally receive the same benefits on new loans as they received on their first loan. If this remains the case, all current borrowers would continue to receive in school interest subsidy on all future loans. Thus, savings associated with altering the in school interest subsidy may be less than the $2.3 billion paid in FY 1994.

# Estimated Impact of Stafford Loan In-School Interest Subsidy for FY 1994

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Colorado–Total | 80,349 | $41,637 |
| 1 | 21,497 | $13,279 |
| 2 | 16,869 | $9,266 |
| 3 | 10,223 | $3,771 |
| 4 | 18,997 | $10,473 |
| 5 | 6,955 | $2,798 |
| 6 | 5,809 | $2,051 |
| Connecticut–Total | 43,762 | $21,474 |
| 1 | 6,369 | $2,712 |
| 2 | 10,624 | $4,892 |
| 3 | 15,420 | $9,515 |
| 4 | 5,367 | $2,120 |
| 5 | 790 | $254 |
| 6 | 5,192 | $1,981 |
| Delaware–Total | 8,875 | $4,031 |
| District of Columbia–Total | 33,024 | $25,753 |
| Florida–Total | 163,881 | $80,544 |
| 1 | 2,824 | $931 |
| 2 | 19,682 | $10,093 |
| 3 | 13,776 | $5,726 |
| 4 | 2,784 | $1,143 |
| 5 | 17,564 | $9,400 |
| 6 | 221 | $56 |
| 7 | 5,561 | $2,914 |
| 8 | 13,016 | $5,729 |
| 9 | 2,359 | $820 |
| 10 | 4,685 | $1,593 |
| 11 | 21,934 | $10,170 |
| 12 | 4,282 | $1,573 |
| 13 | 663 | $329 |
| 14 | 1,783 | $554 |
| 15 | 2,503 | $1,408 |
| 16 | 796 | $201 |
| 17 | 6,692 | $5,283 |
| 18 | 15,403 | $9,788 |
| 19 | 5,271 | $1,975 |
| 20 | 6,560 | $6,234 |
| 21 | 4,388 | $1,153 |
| 22 | 8,305 | $2,521 |
| 23 | 2,828 | $952 |
| Georgia–Total | 99,330 | $50,305 |
| 1 | 9,451 | $3,442 |
| 2 | 12,296 | $6,319 |
| 3 | 1,565 | $371 |
| 4 | 10,423 | $6,407 |
| 5 | 24,565 | $12,522 |
| 6 | 235 | $42 |
| 7 | 11,595 | $7,422 |
| 8 | 5,950 | $1,872 |
| 9 | 3,848 | $1,480 |
| 10 | 13,755 | $8,331 |
| 11 | 5,647 | $2,096 |
| Hawaii–Total | 4,962 | $1,981 |
| 1 | 4,115 | $1,716 |
| 2 | 847 | $265 |

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Idaho–Total | 22,575 | $10,418 |
| 1 | 9,097 | $4,560 |
| 2 | 13,478 | $5,858 |
| Illinois–Total | 185,666 | $106,635 |
| 1 | 7,632 | $6,928 |
| 2 | 3,295 | $1,649 |
| 3 | 2,657 | $753 |
| 4 | 96 | $20 |
| 5 | 8,204 | $3,491 |
| 6 | 7,093 | $4,464 |
| 7 | 45,478 | $33,666 |
| 8 | 701 | $199 |
| 9 | 9,965 | $5,764 |
| 10 | 3,063 | $2,633 |
| 11 | 2,358 | $814 |
| 12 | 14,947 | $8,132 |
| 13 | 3,730 | $1,844 |
| 14 | 10,560 | $5,003 |
| 15 | 28,831 | $15,053 |
| 16 | 2,341 | $820 |
| 17 | 11,743 | $5,475 |
| 18 | 8,247 | $4,017 |
| 19 | 6,751 | $2,402 |
| 20 | 7,974 | $3,508 |
| Indiana–Total | 118,583 | $59,138 |
| 1 | 7,339 | $3,386 |
| 2 | 12,984 | $5,872 |
| 3 | 11,313 | $6,548 |
| 4 | 10,622 | $4,186 |
| 5 | 5,550 | $2,528 |
| 6 | 4,065 | $1,636 |
| 7 | 22,225 | $10,866 |
| 8 | 21,792 | $11,789 |
| 9 | 2,269 | $827 |
| 10 | 20,426 | $11,501 |
| Iowa–Total | 86,916 | $48,588 |
| 1 | 24,529 | $15,577 |
| 2 | 17,440 | $8,320 |
| 3 | 8,788 | $3,607 |
| 4 | 11,577 | $7,025 |
| 5 | 24,583 | $14,059 |
| Kansas–Total | 63,498 | $31,558 |
| 1 | 13,738 | $5,172 |
| 2 | 21,487 | $11,196 |
| 3 | 17,760 | $10,838 |
| 4 | 10,513 | $4,352 |
| Kentucky–Total | 59,725 | $27,347 |
| 1 | 4,943 | $1,962 |
| 2 | 7,398 | $2,916 |
| 3 | 13,636 | $7,283 |
| 4 | 7,510 | $3,223 |
| 5 | 4,825 | $1,674 |
| 6 | 21,413 | $10,289 |

## Estimated Impact of Stafford Loan In-School Interest Subsidy for FY 1994

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Louisiana–Total | 97,359 | $49,359 |
| 1 | 5,403 | $2,000 |
| 2 | 29,467 | $17,617 |
| 3 | 3,186 | $1,099 |
| 4 | 26,150 | $13,256 |
| 5 | 20,741 | $10,616 |
| 6 | 7,121 | $2,940 |
| 7 | 5,289 | $1,831 |
| Maine–Total | 22,718 | $10,027 |
| 1 | 10,169 | $4,757 |
| 2 | 12,549 | $5,270 |
| Maryland–Total | 55,499 | $27,333 |
| 1 | 4,665 | $1,832 |
| 2 | 5,271 | $1,802 |
| 3 | 4,146 | $1,879 |
| 4 | 2,389 | $699 |
| 5 | 14,434 | $7,120 |
| 6 | 6,061 | $2,294 |
| 7 | 16,592 | $11,247 |
| 8 | 1,943 | $461 |
| Massachusetts–Total | 156,582 | $93,990 |
| 1 | 19,916 | $8,585 |
| 2 | 10,220 | $6,209 |
| 3 | 12,898 | $7,010 |
| 4 | 19,366 | $10,981 |
| 5 | 3,312 | $1,376 |
| 6 | 8,093 | $3,357 |
| 7 | 10,888 | $7,216 |
| 8 | 58,461 | $41,456 |
| 9 | 10,434 | $6,704 |
| 10 | 2,993 | $1,095 |
| Michigan–Total | 152,903 | $72,786 |
| 1 | 8,917 | $3,032 |
| 2 | 7,628 | $3,302 |
| 3 | 14,270 | $5,257 |
| 4 | 17,427 | $7,665 |
| 5 | 4,708 | $1,528 |
| 6 | 11,739 | $6,076 |
| 7 | 5,384 | $2,345 |
| 8 | 28,233 | $15,708 |
| 9 | 5,564 | $2,513 |
| 10 | 1,114 | $263 |
| 11 | 5,248 | $1,638 |
| 12 | 2,362 | $591 |
| 13 | 20,976 | $12,419 |
| 14 | 4,869 | $3,135 |
| 15 | 8,137 | $5,383 |
| 16 | 6,327 | $1,931 |

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Minnesota–Total | 119,346 | $58,103 |
| 1 | 18,747 | $7,601 |
| 2 | 6,792 | $2,495 |
| 3 | 4,935 | $2,322 |
| 4 | 19,370 | $11,321 |
| 5 | 27,960 | $18,002 |
| 6 | 2,856 | $729 |
| 7 | 28,029 | $11,189 |
| 8 | 10,658 | $4,443 |
| Mississippi–Total | 46,984 | $22,996 |
| 1 | 8,814 | $5,328 |
| 2 | 6,071 | $2,214 |
| 3 | 8,286 | $3,998 |
| 4 | 13,136 | $6,023 |
| 5 | 10,677 | $5,432 |
| Missouri–Total | 109,443 | $61,456 |
| 1 | 19,581 | $13,839 |
| 2 | 10,138 | $4,525 |
| 3 | 3,045 | $1,576 |
| 4 | 10,272 | $4,553 |
| 5 | 12,698 | $8,881 |
| 6 | 10,127 | $4,264 |
| 7 | 18,902 | $9,734 |
| 8 | 6,998 | $3,055 |
| 9 | 17,682 | $11,030 |
| Montana–Total | 20,525 | $9,998 |
| Nebraska–Total | 45,080 | $22,736 |
| 1 | 20,515 | $9,151 |
| 2 | 16,873 | $10,603 |
| 3 | 7,692 | $2,981 |
| Nevada–Total | 10,827 | $4,119 |
| 1 | 6,296 | $2,044 |
| 2 | 4,530 | $2,075 |
| New Hampshire–Totai | 28,233 | $12,864 |
| 1 | 15,321 | $6,476 |
| 2 | 12,913 | $6,388 |
| New Jersey–Total | 73,668 | $34,426 |
| 1 | 2,450 | $604 |
| 2 | 5,628 | $1,836 |
| 3 | 1,657 | $338 |
| 4 | 4,119 | $1,997 |
| 5 | 2,890 | $926 |
| 6 | 11,784 | $6,558 |
| 7 | 8,575 | $2,713 |
| 8 | 11,288 | $5,994 |
| 9 | 3,229 | $1,538 |
| 10 | 4,842 | $1,599 |
| 11 | 4,436 | $1,612 |
| 12 | 6,602 | $3,322 |
| 13 | 6,168 | $5,388 |

## Estimated Impact of Stafford Loan In-School Interest Subsidy for FY 1994

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| New Mexico–Total | 26,261 | $12,904 |
| 1 | 12,261 | $6,985 |
| 2 | 10,497 | $4,473 |
| 3 | 3,503 | $1,445 |
| New York–Total | 397,536 | $210,968 |
| 1 | 8,903 | $4,487 |
| 2 | 4,855 | $1,898 |
| 3 | 11,305 | $6,129 |
| 4 | 12,609 | $7,647 |
| 5 | 2,565 | $667 |
| 6 | 1,456 | $485 |
| 7 | 3,257 | $1,959 |
| 8 | 48,780 | $28,992 |
| 9 | 1,330 | $403 |
| 10 | 14,101 | $7,974 |
| 11 | 3,393 | $2,537 |
| 12 | 120 | $29 |
| 13 | 2,494 | $889 |
| 14 | 18,034 | $8,147 |
| 15 | 16,462 | $15,213 |
| 16 | 979 | $228 |
| 17 | 11,352 | $6,721 |
| 18 | 23,237 | $11,725 |
| 19 | 9,349 | $5,817 |
| 20 | 6,115 | $2,316 |
| 21 | 20,617 | $10,927 |
| 22 | 9,452 | $4,451 |
| 23 | 19,734 | $6,944 |
| 24 | 19,999 | $8,567 |
| 25 | 23,634 | $13,665 |
| 26 | 24,907 | $13,386 |
| 27 | 8,694 | $4,070 |
| 28 | 19,091 | $10,816 |
| 29 | 14,048 | $5,630 |
| 30 | 20,636 | $11,423 |
| 31 | 16,025 | $6,827 |
| North Carolina–Total | 82,861 | $39,876 |
| 1 | 3,890 | $1,324 |
| 2 | 5,739 | $3,106 |
| 3 | 7,784 | $3,489 |
| 4 | 16,625 | $8,945 |
| 5 | 7,575 | $4,399 |
| 6 | 5,490 | $2,487 |
| 7 | 3,992 | $1,462 |
| 8 | 2,238 | $904 |
| 9 | 8,054 | $3,502 |
| 10 | 330 | $86 |
| 11 | 5,243 | $1,902 |
| 12 | 15,901 | $8,270 |
| North Dakota–Total | 27,281 | $13,395 |

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Ohio–Total | 212,472 | $105,905 |
| 1 | 19,276 | $10,220 |
| 2 | 580 | $133 |
| 3 | 9,049 | $4,469 |
| 4 | 8,995 | $4,250 |
| 5 | 2,920 | $1,335 |
| 6 | 17,289 | $7,911 |
| 7 | 17,441 | $9,307 |
| 8 | 6,342 | $2,815 |
| 9 | 23,027 | $10,900 |
| 10 | 4,905 | $1,944 |
| 11 | 15,931 | $9,751 |
| 12 | 11,826 | $6,365 |
| 13 | 4,131 | $2,183 |
| 14 | 25,506 | $12,033 |
| 15 | 22,871 | $12,853 |
| 16 | 10,134 | $4,639 |
| 17 | 5,123 | $1,870 |
| 18 | 4,073 | $1,823 |
| 19 | 3,053 | $1,103 |
| Oklahoma–Total | 63,736 | $31,187 |
| 1 | 11,578 | $6,190 |
| 2 | 7,305 | $2,767 |
| 3 | 13,554 | $7,020 |
| 4 | 12,312 | $6,353 |
| 5 | 8,288 | $3,227 |
| 6 | 10,700 | $5,630 |
| Oregon–Total | 55,877 | $29,958 |
| 1 | 16,847 | $10,466 |
| 2 | 6,974 | $2,803 |
| 3 | 7,061 | $3,810 |
| 4 | 11,188 | $5,497 |
| 5 | 13,807 | $7,383 |
| Pennsylvania–Total | 326,200 | $197,141 |
| 1 | 29,389 | $25,124 |
| 2 | 32,255 | $25,500 |
| 3 | 8,487 | $2,417 |
| 4 | 4,869 | $2,059 |
| 5 | 48,550 | $29,398 |
| 6 | 8,364 | $4,002 |
| 7 | 14,895 | $8,368 |
| 8 | 3,928 | $1,649 |
| 9 | 3,722 | $1,735 |
| 10 | 16,505 | $8,681 |
| 11 | 10,334 | $5,445 |
| 12 | 17,601 | $9,811 |
| 13 | 5,291 | $2,680 |
| 14 | 43,216 | $27,173 |
| 15 | 11,451 | $5,753 |
| 16 | 10,340 | $5,570 |
| 17 | 12,066 | $6,232 |
| 18 | 711 | $289 |
| 19 | 9,962 | $5,887 |
| 20 | 12,916 | $7,070 |
| 21 | 21,350 | $12,296 |

# Estimated Impact of Stafford Loan In-School Interest Subsidy for FY 1994

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Rhode Island–Total | 32,334 | $14,863 |
| 1 | 10,197 | $5,059 |
| 2 | 22,137 | $9,804 |
| South Carolina–Total | 58,401 | $30,829 |
| 1 | 5,987 | $2,826 |
| 2 | 825 | $348 |
| 3 | 11,067 | $5,364 |
| 4 | 5,581 | $2,472 |
| 5 | 5,753 | $2,640 |
| 6 | 29,188 | $17,180 |
| South Dakota–Total | 26,995 | $13,333 |
| Tennessee–Total | 83,067 | $42,555 |
| 1 | 7,476 | $3,603 |
| 2 | 13,264 | $7,459 |
| 3 | 7,783 | $3,041 |
| 4 | 3,255 | $1,132 |
| 5 | 17,375 | $10,316 |
| 6 | 11,191 | $5,024 |
| 7 | 5,716 | $2,444 |
| 8 | 5,489 | $2,089 |
| 9 | 11,519 | $7,448 |
| Texas–Total | 231,521 | $119,431 |
| 1 | 8,061 | $3,512 |
| 2 | 3,805 | $1,610 |
| 3 | 5,947 | $4,839 |
| 4 | 14,721 | $7,202 |
| 5 | 2,417 | $762 |
| 6 | 1,518 | $492 |
| 7 | 2,090 | $590 |
| 8 | 17,503 | $9,384 |
| 9 | 4,594 | $3,193 |
| 10 | 19,313 | $11,093 |
| 11 | 11,226 | $5,856 |
| 12 | 4,267 | $2,238 |
| 13 | 11,870 | $6,530 |
| 14 | 10,692 | $4,617 |
| 15 | 9,577 | $4,038 |
| 16 | 5,937 | $1,758 |
| 17 | 9,907 | $4,708 |
| 18 | 17,452 | $11,133 |
| 19 | 7,915 | $3,477 |
| 20 | 8,560 | $3,771 |
| 21 | 12,933 | $8,140 |
| 22 | 4,121 | $1,692 |
| 23 | 2,943 | $1,098 |

| State and Congressional District | Number of Recipients | Value of Subsidy |
|---|---|---|
| Utah–Total | 40,090 | $19,649 |
| 1 | 10,761 | $4,350 |
| 2 | 12,477 | $7,231 |
| 3 | 16,853 | $8,069 |
| Vermont–Total | 18,817 | $9,870 |
| Virginia–Total | 100,342 | $53,485 |
| 1 | 9,317 | $4,914 |
| 2 | 12,469 | $5,202 |
| 3 | 18,021 | $11,610 |
| 4 | 4,979 | $2,132 |
| 5 | 9,534 | $6,809 |
| 6 | 15,682 | $7,644 |
| 7 | 2,989 | $1,362 |
| 8 | 3,537 | $1,189 |
| 9 | 15,719 | $8,511 |
| 10 | 1,156 | $565 |
| 11 | 6,938 | $3,546 |
| Washington–Total | 80,225 | $39,639 |
| 1 | 1,186 | $447 |
| 2 | 8,069 | $2,702 |
| 3 | 3,923 | $1,210 |
| 4 | 6,948 | $2,631 |
| 5 | 24,949 | $13,215 |
| 6 | 6,054 | $3,443 |
| 7 | 23,461 | $13,312 |
| 8 | 1,906 | $919 |
| 9 | 3,730 | $1,760 |
| West Virginia–Total | 35,079 | $16,427 |
| 1 | 19,307 | $9,854 |
| 2 | 7,094 | $2,720 |
| 3 | 8,679 | $3,853 |
| Wisconsin–Total | 105,607 | $52,307 |
| 1 | 8,489 | $3,151 |
| 2 | 19,980 | $12,389 |
| 3 | 20,029 | $8,485 |
| 4 | 3,510 | $1,936 |
| 5 | 25,594 | $14,984 |
| 6 | 7,920 | $3,365 |
| 7 | 10,203 | $3,997 |
| 8 | 7,005 | $2,759 |
| 9 | 2,876 | $1,241 |
| Wyoming–Total | 10,487 | $4,205 |
| All Others–Total | 44,305 | $21,142 |
| Total for All | 4,527,739 | $2,355,341 |

9

# DIRECT LOANS

## FACT SHEET

- *Students do not borrow from banks.* The Federal Government raises the loan funds through its regular Treasury bill auctions, and the Federal Government is the recipient of loan repayments.

- *The process is simpler for borrowers.* They do not submit a separate loan application to a bank. Instead, once they complete the Free Application for Federal Student Aid, that's it.

  Because borrowing is directly by the Federal Government, Direct Loans are never sold. Borrowers make a single loan payment to the Department of Education for the life of their loans. It's "One-Stop-Shopping" from loan application to payback.

- *Students don't wait in lines* to endorse bank checks because schools receive loan funds electronically from the Federal Government and disburse to students directly.

- *Students borrow only what they need* because they're confident that if they need more, the funds will be there quickly.

- *Borrowers have more flexible repayment options* with a Direct Loan Individual Education Account (IEA), including Income Contingent Repayment, and they can change options when they need to without a fee.

- *Schools do not wait for or process checks* from multiple lenders. Funds transfer electronically from a single source, the Federal Government, which means less processing time at the school, so there's more time for helping students, and better cash flow.

- *The Federal Family Education Loan (FFEL) Program is not a private program.* Taxpayers pay billions of dollars annually to lenders, guarantee agencies, secondary markets, and servicers in special allowances, administrative expense allowances, default claims, and interest benefits. Without these subsidies, private lenders would not participate.

*over*

- ***Taxpayers save $6.8 billion*** by the year 2000 through the elimination of reinsurance fees and other subsidies paid to banks, secondary markets, and guarantee agencies under the FFEL program. These savings would increase to $12 billion under the President's proposal to accelerate the program.
- ***Schools have no greater liability*** when participating in Direct Loans than they do currently while participating in any other Title IV student financial aid program.
- ***Schools receive free software, training, and technical assistance.*** In addition, Direct Loan schools are not charged for their electronic transactions, including those related to obtaining student data through the Central Processing System. Toll-free numbers ensure that students and schools receive the help they need.
- ***Schools are paid an administrative fee per borrower***, depending on the level of responsibility the school assumes.

# DIRECT LOANS

## TRUE/FALSE TEST

T ☑ F ☐ 1. ***Direct Loans provide "local control" to participating schools.***
Schools decide how much administrative responsibility they wish to assume, determine the division of work between financial aid and business offices, and decide how they carry out their day-to-day operations.

T ☑ F ☐ 2. ***There is no greater liability risk in participating in Direct Loans than there is in any other Title IV student financial aid program.***
The Department's Office of General Counsel has carefully researched this frequently-raised concern and determined that the liability for schools participating in Direct Loans is no greater than that which exists for schools participating in any other Title IV student financial aid program. A detailed written opinion on this issue is available from the Direct Loan Task Force.

T ☐ F ☑ 3. ***Direct Loan Schools have to hire additional staff and incur major costs in converting to a new way of operating.***
Virtually none of the Direct Loan schools participating in the program's first year report having added staff in either the financial aid or the business office. Most schools that plan to add staff in the future reported understaffing before joining Direct Loans.

Most schools report minimal equipment purchases, typically for a new PC or high speed printer. Although some Direct Loan schools chose to upgrade their entire systems, involving significant sums, these onetime purchases were long planned for and driven by the need for improvements in both their financial aid and business office operations regardless of their Direct Loan participation.

T ☐ F ☑ 4. ***Schools have to assume many duties such as credit checks, collections, and loan servicing previously performed by banks.***
Under Direct Loans, the Department of Education, through contracts with private companies, performs credit checks on PLUS borrowers, services, and collects all loans. Schools bear no responsibility or cost for these duties.

T ☑ F ☐ 5. ***Cashflow at institutions is greatly improved under the Direct Loan Program.***
The 1994-95 Direct Loan participants report that institutions and therefore students were able to receive loan funds much earlier than ever before. Some institutions reported posting almost twice as many student accounts/receivables by the same point in the previous year. Most 1994-95 schools were able to either reduce or eliminate the need for short-term, emergency loans.

*over*

T F

6. ***Students borrow less under Direct Loans because they know they can get the funds they need quickly.***
Schools report that students borrow what they need rather than the maximum allowable. They understand that if they need additional money, they can get it quickly and easily with Direct Loans. They do not need to over borrow "just in case."

T F

7. ***Direct Loans is designed to reduce defaults by providing borrowers with better information, better service (with a single loan source) and flexibility throughout the life of the loan.***
Because FFELP loans are typically sold (sometimes several times) and most borrowers have several such loans, borrowers frequently report confusion about just where to send their loan payments, deferment forms, and requests for forbearance. Lack of service and responsiveness on the part of lenders, secondary markets, and loan servicers are the two problems most often reported by FFELP borrowers.

T F

8. ***The Department of Education provides Direct Loan schools with the assistance and support they need to successfully implement this program on their home campus.***
The Department is committed to providing the highest quality customer support and technical assistance to all participating schools, whether in their first year of the program or their fifth year. Software training, instructional materials, program information, and technical and program assistance, both on and off site, are provided free from the Department of Education.

T F

9. ***Direct Loans will create more "big government" as it takes over FFELP, a private program.***
FFELP is not a private program. Taxpayers pay billions of dollars annually to lenders, guarantee agencies, secondary markets, and servicers in the form of special allowances, administrative expense allowances, default claims, and interest benefits. Without these subsidies, private lenders would not participate. Not more than 350 permanent federal employees will have been hired for the Direct Loan Program by 1998. By that same time, however, the Department as a whole will have reduced its overall work force by 375. Workers are employed by companies under contract with the Department of Education to perform the majority of work for Direct Loans.

# DIRECT LOANS

## A HISTORY OF DIRECT LOANS

The William D. Ford Federal Direct Loan Program was initially authorized as a demonstration pilot by the Higher Education Amendments of 1992. The Student Loan Reform Act of 1993, a part of the Omnibus Budget Reconciliation Act of 1993, authorized that the program be implemented on a phased-in basis. Such a phase would be based on total guaranteed student loan volume: 5 percent in the first year, 1994-95; 40 percent in the second year, 1995-96; 50 percent in the third and fourth years, 1996-97 and 1997-98; and 60 percent in the fifth year, 1998-99. After the 1995-96 year, the loan volume percentages may be increased if institutional demand for participation is greater.

The Direct Loan Program is intended to redress many of the problems that have grown over the last 25 years with the existing Federal Family Educational Loan Program (FFELP), primarily its complexity for schools and borrowers and its cost to the taxpayer. In fact, as part of the Budget Reconciliation Act of 1993, Direct Loans are scored as estimated by CBO to save over $4.3 billion by FY 1998. The savings will increase to $6.8 billion by FY 2000. This savings is derived from the elimination of special allowances, administrative expense allowances, default claims, and interest benefits to lenders, guarantee agencies, secondary markets and servicers and the lower cost of funds made available by the government.

Direct Loans are simpler. There are only three players: the student, the school and the Department of Education. Students complete only one application, the Free Application for Federal Student Aid (FAFSA). There is no need for a separate loan application to a bank. The school determines how much a student will need to borrow and electronically transmits all the required loan information to the Department of Education. When the loan is approved, the student simply signs a promissory note and the school credits the student's tuition account.

The primary benefits to students are: they receive their loan funds much more quickly; and they know exactly who to contact for deferments and repayment or any questions they might have about their loan, because their loans will never be sold.

The benefits for schools are: greater control over the loan process by receiving the loan funds electronically; receiving tuition payments faster; and improving cashflow, a benefit for large schools as well as smaller ones.

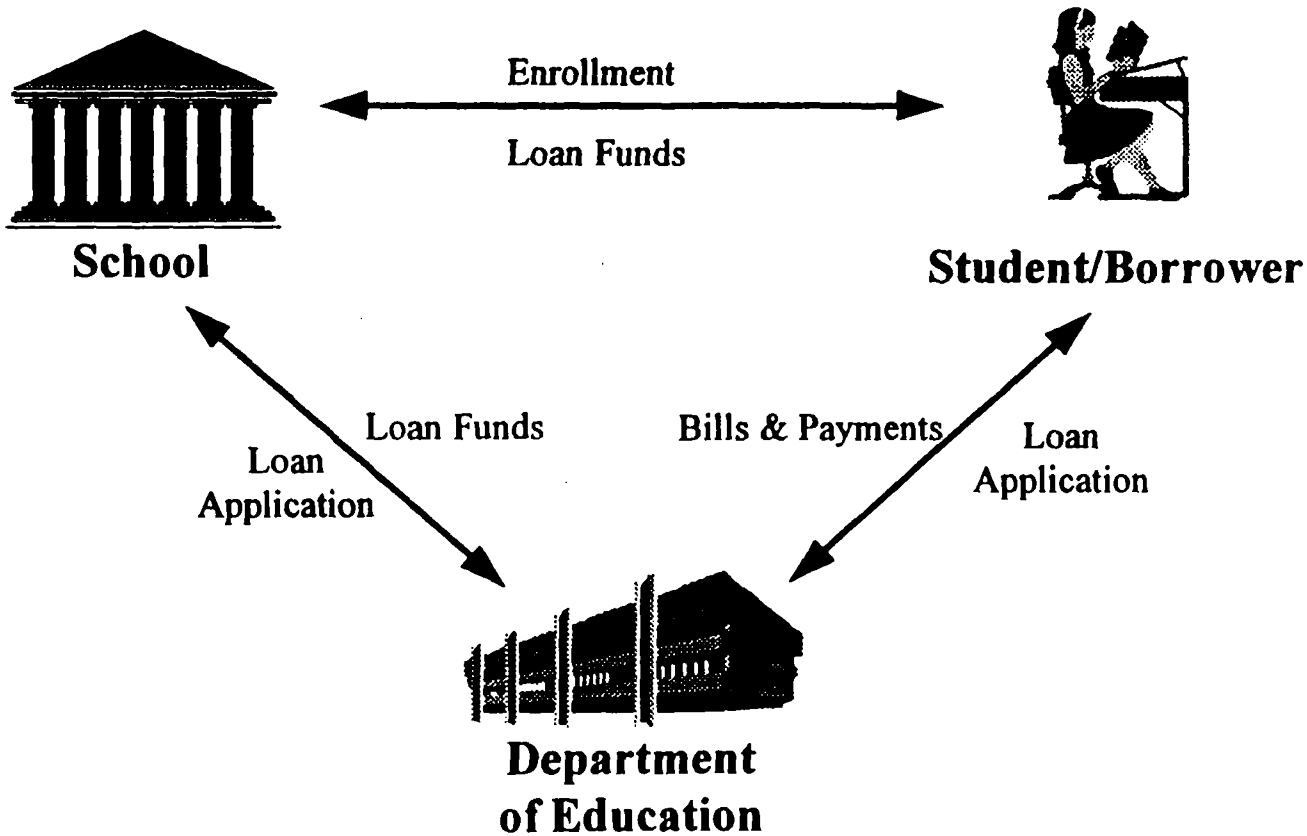
In the first year of the program 104 institutions participated. For the second year 1,495 institutions have been accepted into the program and are currently being trained. Second-year schools will begin making loans in July, 1995. Applications to participate in 1996-97 are now being accepted.

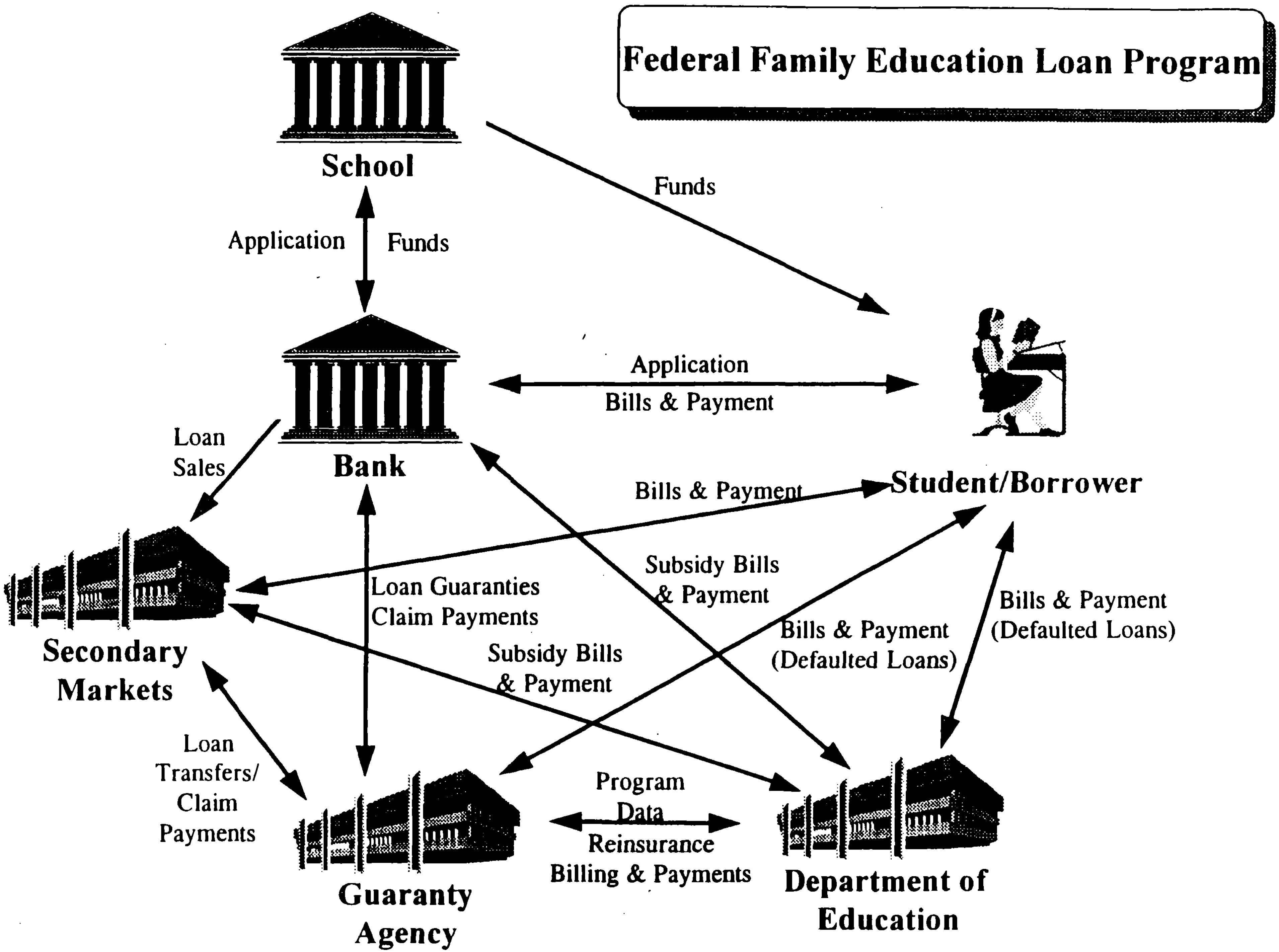
# DIRECT LOANS

## TIMELINE

| | |
|---|---|
| **7/23/92** | Federal Direct Loan Demonstration Program established under provisions of the Higher Education Amendments of 1992 (P.L. 102-325). |
| **8/10/93** | Current Direct Loan Program authorized in Subtitle A Omnibus Reconciliation Act of 1993 (P.L. 103-66). |
| **9/10/93** | Secretary Riley publishes notice in Federal Register soliciting applications from schools for participation in Direct Loan Program. Over 1,100 schools respond. |
| **12/28/93** | Secretary Riley selects 104 schools (representing approximately 5% of the total Federal Family Education Loan (FFEL) Program loan volume) to participate in Direct Loan Program for Year One (academic year beginning July 1, 1994). |
| **2/17/94** | Secretary Riley invites applications from schools to participate in Direct Loan Program for Year Two (academic year beginning July 1, 1995). |
| **7/1/94** | First Federal Direct Loan made at West Virginia University. |
| **10/20/94** | Program renamed the William D. Ford Federal Direct Loan Program (P.L. 103-382). |
| **11/30/94** | Secretary Riley announces selection of 1,495 schools (representing approximately 40% of the total FFEL Program loan volume) to participate in Year Two. |
| **1/95** | Secretary Riley invites applications for participation in Year Three (academic year beginning July 1, 1996). |
| **3/95** | Secretary Riley announces first round of Year Three schools. |

# Federal Direct Student Loan Program




Federal Family Education Loan Program
School
Funds
Application
Funds
Application
Bills & Payment
Bank
Loan Sales
Student/Borrower
Bills & Payment
Subsidy Bills & Payment
Loan Guaranties Claim Payments
Bills & Payment (Defaulted Loans)
Bills & Payment (Defaulted Loans)
Secondary Markets
Subsidy Bills & Payment
Loan Transfers/ Claim Payments
Program Data
Reinsurance Billing & Payments
Guaranty Agency
Department of Education

LIFELONG LEARNING PAYS OFF: A SURVEY OF RECENT RESEARCH

- **"School-to-work"-type programs improve student outcomes.** California's Partnership Academies, which combine high-school education with career-focused training and work experience, have reduced dropout rates among program participants.[1] Even more definite results are available for programs targeted at high-school dropouts, such as the highly successful Center for Employment Training in San Jose.

- **Training of experienced workers has strong economic effects.** One recent study concluded that each year of education provided through a Pennsylvania program for displaced workers increased earnings by some 7 percent.[2] And a recent study of the Job Training Partnership Act found that participation increased the earnings of adult males by 10 percent and the earnings of adult female participants by 15 percent. These earnings gains were one and a half times as large as the costs invested to produce them.[3]

- **Firm-provided training has positive economic impacts for participants and employers.** For workers, a year of training raises wages by about as much as a year of college education.[4] There is also evidence that firm-provided training leads to productivity gains. A survey of small manufacturing firms in Michigan that received training grants from the state government found that the additional training provided by manufacturing firms significantly raised productivity.[5] Another study of formal training programs in manufacturing firms found that firms that introduced training in 1983 had productivity growth that was 19 percent faster, on average, than at other firms.[6]

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1 Hayward, Becky, and G. Tallmadge,*Evaluation of Dropout Prevention and Reentry Projects in Vocational Education*, draft final report, Research Triangle Institute, November 1993; and Stern, David, et al., "Benefits and Costs of Dropout Prevention in a Program Combining Academic and Vocational Education: Third-Year Results from Replications of the California Peninsula Academies,"*Educational Evaluation and Policy Analysis, Vol. 11, No. 4, 1989.*

2 Jacobson, Louis, Robert Lalonde, and Daniel G. Sullivan,*The Returns to Classroom Training for Dislocated Workers*, unpublished manuscript, September 1994.

3 Bloom, Howard S., et al.,*The National JTPA Study: Overview of Impact, Benefits, and Costs of Title II-A*, Abt Associates, February 1994.

4 Lynch, Lisa, Private Sector Training and the Earnings of Young Workers,"*American Economic Review*, Vol. 82, No. 1, 1992.

5 Holzer, Harry et al., "Are Training Subsidies for Firms Effective? The Michigan Experience,"*Industrial and Labor Relations Review*, November 1993.

6 Bartel, Anne, "Productivity Gains from the Implementation of Employee Training Programs,"*Industrial Relations*, forthcoming.

- **New evidence emphasizes that education and training are important determinants of the speed at which the economy as a whole grows.** A large body of literature has shown that countries with the highest levels of education typically grow the fastest.[7] Even within countries, states and regions with better-educated labor forces grow more rapidly.[8] A well-educated workforce can raise the productivity of R&D (for example, because new innovations are implemented more quickly), generating the technological improvements that are a crucial ingredient in long-term growth.

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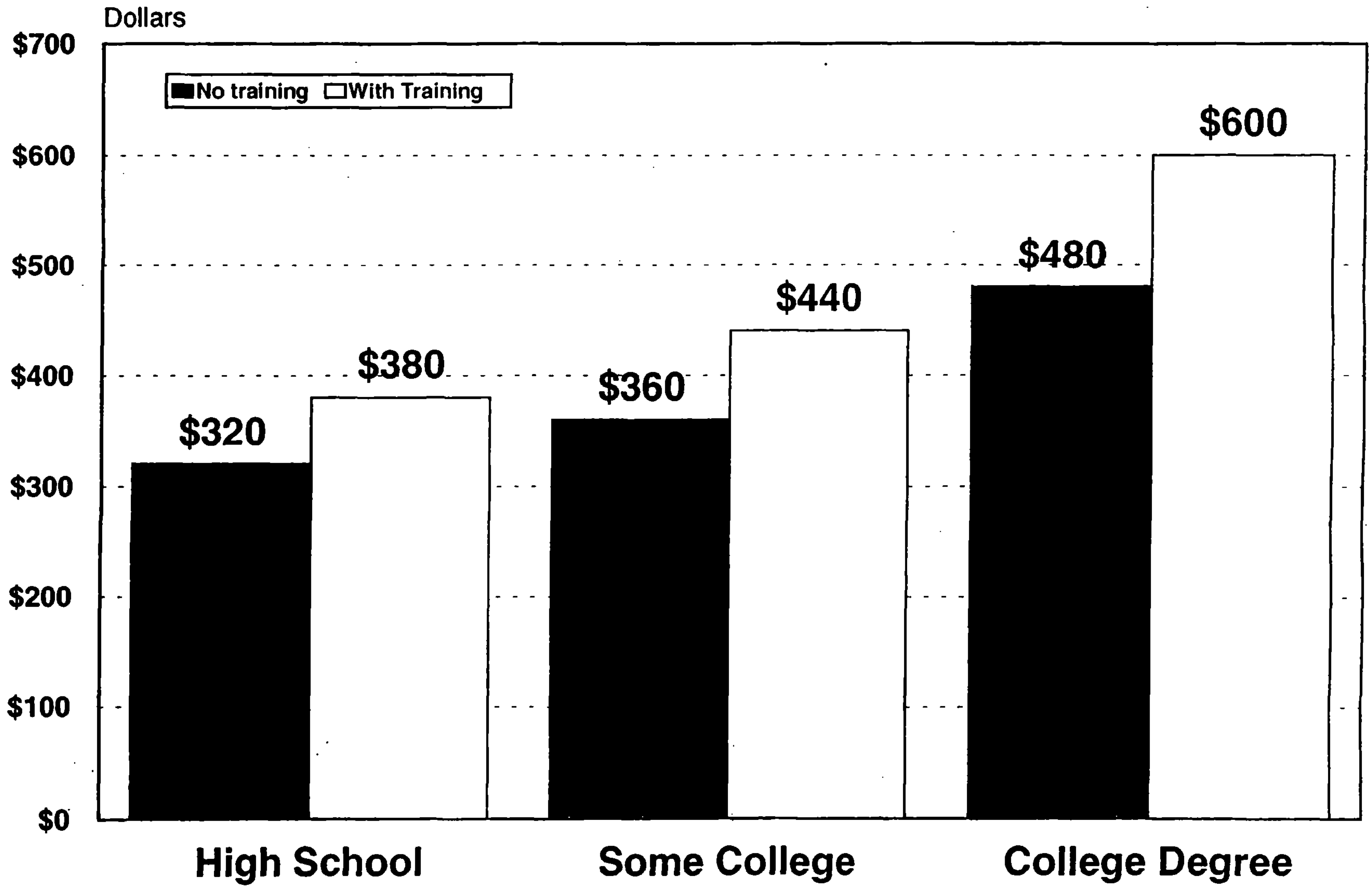
7 See, for example, Barro, Robert J., "Economic Growth in a Cross Section of Countries,*Quarterly Journal of Economics*, Volume 106, May 1991; and Mankiw, N. Gregory, David Romer and David Weil, A Contribution to the Empirics of Economic Growth,"*Quarterly Journal of Economics*, Volume 107, May 1992.

8 Holtz-Eakin, Douglas, "Solow and the States: Capital Accumulation, Productivity, and Economic Growth," *National Tax Journal*, Vol. 46, No. 4, 1993.

# Job Training Pays Off

Median weekly earnings of young workers by educational attainment and training received: 1991




Source: National Longitudinal Survey of Youth. Median weekly earnings of workers aged 25 to 34, in 1991, by training received between 1986 and 1991.