FOIA Number: 2017-1073-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

Series/Staff Member: Bob Shireman

Subseries:

OA/ID Number: 13223

FolderID:

Folder Title:
HOPE [Hope and Opportunity for Postsecondary Education] Briefing Binder [2]

Stack:	Row:	Section:	Shelf:	Position:
S	15	2	1	2

Statement of Edward M. Elmendorf
The American Association of State Colleges and Universities

My name is Ed Elmendorf, and I am with the American Association of State Colleges and Universities, AASCU. My organization represents more than 370 state universities, and 30 state systems of higher education.

Our membership has been quite enthusiastic about the President's commitment to making higher education accessible to all Americans. We believe the goals articulated by President Clinton for his education-related tax proposals are exactly right, and we are convinced that his vision deserves bipartisan support. The congressional leadership in effect indicated its basic agreement with the President's goals when it negotiated the budget deal. Both the President and the congressional leaders, quite appropriately, left the details to the tax writing Committees. It is now the committees' turn to do their respective parts to make this broadly shared vision a reality.

We are disappointed to see that Chairman Archer's tax package, instead of improving the administration's education-related tax proposals, does just the opposite. Not only does it devote substantially less to education-related tax provisions than the budget agreement with the President requires; it is also seriously mis-targeted.

Our concerns are as follows:

• The modifications made to the president's Hope Scholarship proposal move the tax subsidies even further toward the upper income.

• The deductibility of up to $10,000 per student per year of expenditures through state-sponsored prepaid tuition plans, and the creation of a similar deduction for private prepaid tuition programs, will help only our highest income citizens. (We are very concerned about inadequately funded plans, and are quite worried that they would proliferate under this proposal.)

• The chairman's mark fails to include non-taxability of student loan forgiveness—an extraordinarily important feature of the administration's package that AASCU fully endorses.

• The chairman's proposal does not restore the deductibility of student loan interest payments.

• The chairman's mark does not permanently extend employer-provided education assistance, and instead extends it through the end of this year, and then only for undergraduate study.

We hope to work with the Secretaries Riley and Rubin, and with Chairmen Roth and Archer to address our concerns, and create a tax package that would truly open the doors of college for our citizens.

FOR IMMEDIATE RELEASE
Contact: Noah Brown
202/775-4667

COMMUNITY COLLEGE STUDENTS LOSE HOPE UNDER ARCHER TAX PLAN

Washington, DC (June 9) -- House Ways & Means Committee Chairman Bill Archer today unveiled his plan to provide $85 billion in net tax cuts as part of the budget reconciliation bill to be considered by Congress this summer. The plan's education components depart significantly from President Clinton's proposals and cuts in half the value of the tuition credit for students attending community colleges. The plan also would raise taxes on working Americans who need access to postsecondary education to remain employable.

Archer's plan provides $22 billion for the President's Hope Scholarship tax credit over five years. The credit would match 50 percent of higher education out-of-pocket expenses (tuition and books) up to $3,000 to families earning less than $80,000 per year, and to individuals earning less than $40,000 per year. This contrasts sharply with the Administration's tax credit plan to provide a tax credit of up to $1,500 to cover educational expenses for the first two years of college.

Students attending community colleges, where annual tuition averages less than $1,500, lose under Archer's version of the tuition tax credit. This is due to the way in which the amount of the credit would be calculated. For example, if a student attends a community college and pays $1,500 for tuition, they would be eligible for a $750 tax credit under Archer's plan – half the amount available under the President's Hope Scholarship proposal. The net effect of Archer's plan is to shift the credit's benefit to students with financial means and to those attending costlier four-year colleges and universities.

Archer's plan also raises taxes on working people seeking to upgrade their skills and/or qualify for new jobs. Under the plan, the tax exclusion for employer-provided tuition assistance would expire after this year. Beginning next year, individuals receiving tuition assistance from the employers would see their paychecks reduced by additional tax withholding.

ACCT opposes Archer's changes to the Hope Scholarship tax credit and is alarmed that Employee Education Assistance would not continue beyond the current year. The plan fails to provide real access and opportunity to Americans without the financial means to attend college and creates a tax impediment for those seeking to successfully join today's high-skills workplace.

ACCT represents the more than 6,000 publicly elected and appointed governing officials of community, junior, and technical colleges across the United States and Canada.

###

The College Board
1233 20th Street, N.W., Suite 600, Washington, D.C. 20036-2304
Telephone: (202) 822-5900; Facsimile: (202) 822-5920

hington Office

June 10, 1997

College Board Response to Ways and Means Committee Chair Archer's Education Tax Proposals

Throughout recent discussions on tuition tax proposals, the College Board has advocated judicious use of the tax code for educational purposes and recommended adjustments to ensure that any tax credit or deduction be equitable for all families. In that regard, the College Board is pleased to note that the proposals announced by the chairman of the House Ways and Means Committee this week support savings for higher education through penalty-free withdrawals from IRAs accounts for postsecondary education.

In its totality, however, the package falls far short of advancing the College Board's priority of targeting the tax code for specific educational purposes and making any changes equitable for all families. For example, we are concerned that the package does not include:

- deductibility of interest on student loans;
- tax-free treatment of need-based grants, fellowships, scholarships, and federal College Work Study earnings; and
- permanent (in contrast to a one-year) extension of section 127 of the tax code for both undergraduate and graduate students, a modest incentive for private sector investment in the continuing education of adults.

We are also greatly concerned about other aspects of the chairman's package. By limiting the credit to 50 percent of up to $3,000 of "out-of-pocket" tuition expenses required for college attendance, the chairman's version of the Hope Scholarship further reduces the tax benefit for many low-income students. Like the Administration's Hope Scholarship, the chairman's tax credit would also be non-refundable, that is, students and families without any tax liability would not receive the benefit.

In addition, the chairman's proposed $10,000 tuition deduction, focused only on state- and private-sponsored pre-paid tuition programs, would primarily benefit middle- and upper-middle income taxpayers. These provisions of the chairman's package also have the potential to complicate the financing of higher education by encouraging multiple state variations of the pre-paid tuition concept, not to mention the proliferation of private for-profit models.

The College Board is pleased that the Administration last week modified its original tuition tax proposals, shifting more funding to the needier students, providing student loan interest deduction, and allowing tax relief for employer-provided education assistance. We are concerned that the committee did not include these modifications in its recently released plan.

* * *

The College Board is a national association of over 3,200 schools and colleges dedicated to advancing equity and excellence for all students.

AACC

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES

Statement of the American Association of Community Colleges on Chairman Archer's Mark Relating to Revenue Reconciliation Provisions

The American Association of Community Colleges (AACC) is pleased that the Chairman's mark includes a tax credit to help pay for the first two years of postsecondary education. However, AACC is deeply concerned about its present configuration. As announced, the credit would cover 50 percent of up to $3,000 of out-of-pocket tuition expenses and books required for attendance. This structure would limit the benefit the tax credit will have for community college students, most of whom are enrolled at institutions whose tuition is well below the level at which they could receive the maximum tax credit. We strongly believe that community college students should be eligible for the same level of support through a tax credit as students enrolled at more expensive institutions of higher education.

We are also troubled that the Chairman's mark does not permanently extend Section 127 of the Internal Revenue Code. Limiting the extension to a six-moth period for undergraduate programs will hamper the ability of America's workers to gain access to the education programs they need to maintain and upgrade their skills.

June 10, 1997

One Dupont Circle, NW, Suite 410 Washington, DC 20036 (202) 728-0200 FAX (202) 833-2467

UNITED STATES STUDENT ASSOCIATION

50 YEARS CLOSER TO FREEDOM

FOR IMMEDIATE RELEASE
June 10, 1997

CONTACT
Erica Adelsheimer
(202) 347-8772

******PRESS RELEASE******

Students Express Strong Disappointment With Chairman Archer's Education Tax Proposals

WASHINGTON, D.C.--Students around the country are registering their disappointment with Chairman Archer's plan for education tax initiatives. Chairman Archer's package will do nothing to expand access to education. Instead of addressing student concerns about the administration's education tax proposals, the plan shifts benefits away from even middle income families and funnels aid to those with greater resources.

Students believe that education tax initiatives must include measures to broaden educational opportunity. We know that without additional help thousands of young people will be forced to forego a college education. We support the President's efforts to ensure that at least $35 billion of any overall tax package be targeted to higher education, and we urge Congress to ensure that the neediest families, as well as those with middle and upper-middle incomes, qualify for education-related tax benefits.

Chairman Archer's plan will provide additional aid to those families least in need and no help to low-income students and families who often find the financial barriers to college insurmountable.

Students are particularly concerned that the modifications to the HOPE Scholarship move the tax subsidies further toward the upper income rather than toward those with the greatest need, that the $10,000 deduction proposals will only help the wealthiest families, and that there are no provisions for student loan forgiveness, a student loan interest deduction, permanent extension of employer-provided education assistance, or non-taxability of work-study and need-based scholarships and fellowships.

1413 K Street NW
10th Floor
Washington, DC
20005

Voice: 202.347.USSA
Fax: 202.393.5886

@essential.org
essential.org/ussa

50TH ANNIVERSARY
1947•1997

U.S. Public Interest Research Group

National Association of State PIRGs

News Release

For Immediate Release:
June 10, 1997

For More Information:
Ivan Frishberg, (202) 546-9707

Statement from PIRG's Higher Education Project regarding House Ways and Means Committee Proposal on Higher Education tax cuts.

A college education is the best investment we can make in America's future. Rather than fully opening up that investment to all Americans students, Chairman Archer's Mark represents a missed opportunity to expand access to higher education.

U.S. PIRG has commended both the President and the Leadership in Congress for the commitment to higher education that was made in the balanced budget deal. However, we have persistent concerns that the $35 billion investment in higher education is delivered in a way that truly delivers hope to all students, including those working families with incomes too low to create significant tax liability.

Compared to the President's proposals, Chairman Archer's proposal does even less to deliver assistance to those who need it the most, when it could have done more. We encourage Chairman Archer to listen a little closer to the concerns of students, and work towards a greater and more real hope for America's college students.

Congress and the Administration should work together to construct a tax package that includes a hope scholarship that goes to the millions of American students who don't have tax liability, and that includes proposals that ease the burden of student debt: tax exempt loan forgiveness and a student loan interest deduction.

30 - 30 - 30

U.S. PIRG is the national lobbying office of the state Public Interest Research Groups. U.S. PIRG is a non-profit environmental and consumer watchdog group with citizen and student members in over 35 states, and with chapters at over 100 college campuses.

News

American Association of State Colleges and Universities
One Dupont Circle
Suite 700
Washington, DC
20036-1192
voice 202/293-7070
fax 202/296-5819

FOR IMMEDIATE RELEASE **(JUNE 9, 1997)**

Contact: Gay Clyburn, 202/857-1824
(e-mail: clyburng@aascu.nche.edu)

Tim Martin, 202/293-7070
(e-mail: martint@aascu.nche.edu)

WWW: www.aascu.nche.edu/news/releases/archer.htm

Statement from American Association of State Colleges and Universities in response to Chairman Bill Archer's Mark, House Committee on Ways and Means

We are disappointed to see that Chairman Archer's tax package, instead of improving the administration's education-related tax proposals, accomplishes just the opposite. It is more regressive and does nothing to expand access to higher education.

The American Association of State Colleges and Universities (AASCU) has set a clear standard against which any educational tax proposal may be judged—that of broadening educational opportunity.

We believe the president deserves credit for insisting that at least $35 billion of any tax expenditures should be devoted to higher education. We had hoped that Chairman Archer would modify the details of the administration's proposal to ensure that the neediest, as well as middle and upper income Americans, would qualify for education-related tax benefits.

Unfortunately, the chairman's mark falls short. Not only does it devote substantially less to education-related tax provisions than the budget agreement with the president requires, it is also seriously mis-targeted.

Our concerns are as follows:

- The modifications made to the president's Hope Scholarship proposal move the tax subsidies even further toward the upper income. By limiting the credit to "out of pocket" tuition and books, the chairman's mark fails to conform to the improvements the president recently announced. In addition, limiting the credit to 50 percent of tuition and books up to $3,000 serves as another *de facto* cap on the maximum eligibility of students at schools with tuition charges of less than $3,000. The fact that the tax credit continues to be nonrefundable also renders it ineffective as an instrument of access.
- The deductibility of up to $10,000 per student per year of expenditures through state sponsored prepaid tuition plans, and the creation of a similar deduction for private prepaid tuition programs, will help only our highest income citizens.

(over)

Add 1, AASCU

- The chairman's mark fails to include non-taxability of student loan forgiveness—an extraordinarily important feature of the administration's package that AASCU fully endorses.
- The chairman's proposal does not restore the deductibility of student loan interest payments, which enjoy universal support within the higher education community and bipartisan support in Congress.
- The chairman's mark does not permanently extend employer-provided education assistance—temporarily extended it only through Dec. 31, 1997— and then only for undergraduate study.
- The proposal phases out non-taxability of tuition reduction provided to employees of educational institutions, and thus increases personnel costs at colleges and universities.

AASCU hopes to work with Chairman Archer to address our concerns as he leads the Ways and Means Committee in mark-up.

aascu American Association of State Colleges and Universities

One Dupont Circle • Suite 700 • Washington, DC 20036-1192 • phone 202/293-7070 • fax 202/296 5819

June 9, 1997

The Honorable William V. Roth
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bill Archer
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairmen:

We write to indicate our enthusiastic support for the agreement reached between the President and Congress to devote a substantial portion of any tax cuts to higher education. We congratulate the President and the Congress for their continued efforts to expand access to higher education, and believe that properly crafted tax incentives are an investment in America's future.

We fully endorse the goals articulated by the Administration and congressional leaders in advancing their respective packages of education-related tax cuts. We believe that as Congress works to implement the budget agreement, it has a historic opportunity to produce a final tax package that will enable all Americans to afford postsecondary education for themselves and their children.

As you examine the specific features of education-related tax benefits, we hope that you will join the President in his call for making at least two years of postsecondary education the norm for our citizens. The creation of an expanded Hope Scholarship program is the single most effective way in which the tax writing committees can make the dream of a better future for all Americans a reality. We believe such a program, if it is correctly designed to provide benefits to our neediest citizens as well as to middle income families, will be a proud legacy for policymakers.

The bipartisan agreement for restoration of deductibility of student loan interest payments is another important tax provision we support. An "above-the-line" deduction for educational borrowing would provide relief to millions of our citizens with student loan payments.

The Administration has proposed that any loan forgiveness for borrowers who make 25 years of payments based on income be non-taxable. We fully endorse this proposal. In an effort to promote greater community service, the Administration has also proposed non-taxability of loan forgiveness by non-profit entities. We believe public colleges and universities should be included in this provision. While public institutions can provide non-taxable loan forgiveness in certain circumstances under current law, we believe their inclusion in this new provision would

The Honorable William V. Roth
The Honorable Bill Archer
June 9, 1997
Page 2

simplify the process substantially. Also, we encourage Congress to include a technical expansion of non-taxability to include loan discharge, write-off and compromise.

The Administration and Congress have proposed a variety of additional incentives that merit careful consideration. These include tax-free educational savings accounts; expansion and permanent extension of tax exemption for employer-provided education assistance; tax exemption for work-study earnings, scholarships and fellowships; and proposals to encourage lifelong learning.

An additional proposal we are concerned about is non-taxability of state prepaid tuition plans. We strongly support this in concept, but believe it should apply only to state prepaid tuition plans that are actuarially sound, and that do not create unfunded contingent liabilities for the nation's public institutions.

We appreciate your leadership on these important issues, and stand ready to work with you in the historic task before the Committee.

Sincerely,

James B. Appleberry

James B. Appleberry
President

On behalf of the following education associations:

Hispanic Association of Colleges and Universities (HACU)
National Association for Equal Opportunity in Higher Education (NAFEO)
National Council of Educational Opportunity Associations (NCEOA)
The Education Trust
U.S. Public Interest Research Group (USPIRG)
United Negro College Fund (UNCF)
United States Student Association (USSA)

pc: The Honorable Richard W. Riley
Members of the Senate Finance Committee
Members of the House Ways and Means Committee

AMERICAN COUNCIL ON EDUCATION

Division of Governmental Relations

June 6, 1997

The Honorable Bill Archer
Chairman
Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Congressman Archer:

On behalf of the higher education associations listed below, I write to express our strong support for the agreement between the President and Congress to use the tax code to help families save for college, pay for college, and ease their student loan repayment burdens. The support for higher education is bipartisan and reflects the great importance both parties place on it.

The President has outlined a bold plan to help make higher education more affordable for students and families. Members of Congress have suggested additional ways to use the tax code for the same important purpose.

We very much appreciate this bipartisan leadership. We believe that the tax cuts being discussed will make higher education more accessible for students, improve their learning experience, and help ensure that the nation has the highly educated, well-trained work force it will need for the 21st century.

We recommend that any higher education tax package, to be most effective, include the following six critical elements:

- A Hope Tax Credit available to students for the first two years of college, without the "B" average provision. This program would guarantee students access to at least a community college education and should be the central feature of any plan.

- A Tuition Tax Deduction, which would provide assistance for students and families attending undergraduate and graduate school and encourage lifelong learning.

- Savings Incentives for families with young children to help them plan ahead for college.

- The permanent extension of Section 127 of the tax code for employer-provided educational assistance for both undergraduate and graduate education to ensure that working adults can participate in employer-supported higher education without tax consequences.

One Dupont Circle, Washington, D.C. 20036-1193 (202) 939-9355

- Reinstatement of the student loan interest deduction to help students repay their loans following graduation. The deduction should be "above the line" to ensure that all borrowers can benefit.

- Elimination of the tax-exempt bond cap for all colleges and universities so that they can maintain their campus facilities, keep up with the rapid growth of technology, and offer their students and faculty state-of-the-art classroom and research facilities.

Once again, we very much appreciate the leadership the President and Congress have demonstrated in support of higher education, and we look forward to working with you to develop this important set of higher education tax policies.

Sincerely,

Terry W. Hartle

Terry W. Hartle
Vice President

On behalf of the following associations:
American Council on Education
American Association of Community Colleges
Association of American Universities
National Association of Independent Colleges and Universities

NASULGC National Association of State Universities and Land-Grant Colleges

June 9, 1997

The Honorable Bill Archer
Chairman, Ways and Means Committee
1236 Longworth Building
Washington, DC 20515

Dear Mr. Chairman:

Due to unusually complex travel arrangements that curtailed communications, I was unable to inform my colleagues in the higher education associations of my interest in joining them on their letter to you on June 6, 1997.

That letter outlined the concerns of the higher education community in the tax legislation you and your committee colleagues are about to draft.

I write now to associate the National Association of State Universities and Land-Grant Colleges (NASULGC) with the views of our colleagues.

Cordially,

C. Peter Magrath

C. Peter Magrath
President

CPM/tas

One Dupont Circle, NW Suite 710 • Washington, DC 20036-1191 • (202) 778-0818 • Fax (202) 296-6456

Association of Community College Trustees
1740 "N" Street, NW
Washington, DC 20036
202.775.4667

June 6, 1997

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. President:

We write to reaffirm our support for your educational tax proposals as outlined on June 4th by the Department of Education. As you know, the Association of Community College Trustees has been unwavering in its support for your proposals to increase the nation's investment in education and training so critical to sustaining our economy.

We are especially pleased by your decision to make Hope Scholarships more readily available to low-income students by allowing them to use the tax credit to cover educational costs beyond what is covered by their Pell Grant. In addition, eliminating the "B" average requirement will make the tax credit more accessible and consistent with other federal student aid program requirements. We applaud these two critical improvements and believe that it will strengthen support in Congress for enacting the $1,500 tuition tax credit.

Your decision to add the extension of Employee Educational Assistance and restoration of the deduction for student loan interest as integral components of your educational proposal will further strengthen and enhance America's investment in education and training. Both initiatives are long-standing priorities of community college trustees and the institutions they represent.

The Honorable William J. Clinton
June 6, 1997
Page Two

The nation's community college trustees will work hard to win enactment of this important educational investment package by communicating its importance to Members of Congress.

We thank you for your leadership and for continuing to make educational investment a national priority.

Sincerely,

Montez C. Martin, Jr.
ACCT Chair

Ray Taylor
ACCT President

WILLIAMS COLLEGE WILLIAMSTOWN, MASSACHUSETTS 01267

June 5, 1997

OFFICE OF THE PRESIDENT
P.O. Box 687
(413) 597-4233

Dear Colleague:

I have just returned from the spring meeting of the Board of Directors of the National Association of Independent Colleges and Universities, and was struck again by the signal importance of the current tax debate in Washington. We in independent higher education have an enormous stake in its outcome.

An agreement has been reached between the President and congressional leaders to balance the federal budget by the year 2002. Most of us have heard that a part of that deal, "roughly $35 billion," was set aside for a system of higher education tax credits and deductions along the lines of the President's proposal.

Let me underscore that this $35 billion for higher education is by no means assured. The total cost of all tax cuts agreed to (including Hope, child tax credits, capital gains, etc.) far exceeds the total amount available. However, with a greater effort on our part, it is very possible that a comprehensive package of education tax incentives could be enacted in the next few months to include a Hope credit and deduction, savings incentives, the removal of the cap on tax-exempt bond financing, a student loan interest deduction, and the extension of §127 (employer-provided education assistance). The President and the Congress need to hear from us that all these proposals have merit.

This is a generational opportunity. It is not an overstatement to say that the outcome of the current debate in Washington could rival in stature the GI Bill of 1944 and the Higher Education Act of 1965.

Therefore, I urge you to take the time right now to call or write each of your congressional representatives. **Tell them that the use of the tax code is an appropriate vehicle for helping students and their families pay for college, and ask them to work with the President and their colleagues on both sides of the aisle to help shape a tax package to encourage families to save for college, to help families that are paying tuition, and to assist students that are repaying their student loans.**

Please do this in the next several days -- the major decisions are likely to be made this month. Also, please engage faculty, students, staff and parents in any way possible. Many thanks for your efforts. I truly believe that if you call Congress now, you will be helping to build a legacy of opportunity that will endure well into the next century.

Sincerely,

Harry Payne

Harry C. Payne
Chair, NAICU Board of Directors

Telefax: (413) 597-4015

AMERICAN COUNCIL ON EDUCATION

OFFICE OF THE PRESIDENT

June 4, 1997

The Honorable Richard W. Riley
Secretary
U.S. Department of Education
600 Independence Ave., SW
Room 6213, FOB 10
Washington, DC 20202

Dear Mr. Secretary:

Mike Smith just called to describe the changes the administration will be recommending to the Hope tax credit and the $10,000 tax deduction.

While I have not yet seen the actual legislative language, I am encourage by the proposed changes. The elimination of the "B-" average requirement will remove a major area of controversy, simplify the program for students and schools, and avoid the possibility that the Internal Revenue Service will review transcripts. The removal of the offset against Pell Grants will mean that many lower-middle income students -- those from families with incomes between $10,000 and $30,000 -- who otherwise would have been ineligible for the Hope tax credit will receive the benefit. I am pleased as well that the administration has indicated its strong support for making Section 127 permanent and restoring the deductibility of interest on student loans.

These four items, coupled with the proposed increase in the Pell Grant program, represent a much improved package that will do a great deal to help families finance higher education. The Hope tax credit is a giant step in the direction of making the first two years of college a universal benefit. The tax deduction and Section 127 will help working adults and others who want and need to avail themselves of postsecondary education throughout their lives. Finally, restoring the deductibility of student loan interest is perhaps the single best way to help recent college graduates establish themselves once they have left school.

One Dupont Circle, NW, Washington, DC 20036-1193 • tel: (202) 939-9310 • fax: (202) 659-2212

I cannot close without expressing my personal gratitude for your willingness to listen to the concerns raised by the higher education community and to modify the proposals in response. We recognize, of course, that these proposals still must travel a long road before they are enacted. We look forward to working closely with you and the Congress as this effort continues.

Sincerely,

Stanley O. Ikenberry
President

SOI/twh

OPENING DOORS OF EDUCATIONAL OPPORTUNITY

N·A·S·F·A·A

FAX

TO: Susan Frost

FROM: Dallas Martin

DATE: June 4, 1997

RE: Educational Tax Proposal Changes

The memo describing the changes to the President's Higher Education Tax package is great news for needy students and for institutional administrators. The changes to the Hope Scholarship program are particularly welcomed, and will broaden support for the concept. My thanks to all of you who listened and responded to our primary concerns.

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS
1920 L STREET N.W. SUITE 200 WASHINGTON, D.C. 20036-5020

N·A·S·F·A·A

OPENING DOORS OF EDUCATIONAL OPPORTUNITY

April 17, 1997

bcc: The Honorable Richard W. Riley
Mr. Franklin Raines
✓Mr. Gene Sperling
Mr. Robert Shireman
Ms. Susan Frost

The Honorable William Jefferson Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

As the Board of Directors of the the National Association of Student Financial Aid Administrators, we are writing on behalf of our 3,200 institutional members, and the millions of students they serve, to commend your efforts to raise postsecondary education to the top of the nation's funding priority list.

America's long standing commitment to funding the federal student assistance programs has proven to be a sound investment which has directly or indirectly benefited every person in our society. Few public investments provide the same high rate of return as do educational expenditures.

Therefore, we are pleased that both the Administration and the Members of the 105th Congress are moving forward to build upon this legacy by providing additional funding for the existing, time-proven student aid programs, while also enacting several needed proposals that will further help individuals pay for postsecondary education expenses.

We strongly encourage everyone involved in this year's federal budget deliberations to adopt a set of initiatives that will:

- raise the maximum Pell Grant award to a minimum of $3,000;
- increase funding for other need-based federal studemt assistance programs above the Fiscal Year 1997 levels; and
- dedicate at least one-half of any amount earmarked for tax-relief to making postsecondary education more affordable.

We encourage you to lend your full support to make these proposals a reality for America's students and we pledge our support to assist you in your efforts.

Sincerely,

1996-97 NASFAA Board of Directors

Marvin G. Carmichael
1996-97 National Chairman

Dallas Martin
President

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS
1920 L STREET N.W. SUITE 200 WASHINGTON, D.C. 20036-5020 TELEPHONE: 202-785-0453 FAX: 202-785-1487

National Association of Student Financial Aid Administrators
1996-97 Board of Directors

Marvin G. Carmichael, 1996-97 National Chairman
Director of Financial Aid
Clemson University
Clemson, SC

John Parker, 1996-97 National Chairman-Elect
Assistant Vice President for Business and Finance
Drake University
Des Moines, IA

William A. Irwin
Director, Student Financial Aid
Lock Haven University of Pennsylvania
Lock Haven, PA

Dallas Martin, President
NASFAA
Washington, DC

Emma K. Baker
Director of Student Affairs
H. Lavity Stoutt Community College
Tortola, BVI

Richard Battig
Director of Student Financial Services
University of St. Thomas
St. Paul, MN

Michael J. Bennett
Director of Financial Aid
Brookdale Community College
Lincroft, NJ

Douglas Bucher
Director, Financial Aid Operation
New York University
New York, NY

Terrill Cosgray
Assoc. Director, Student Fin. Aid
Indiana University-Bloomington
Bloomington, IN

Gerald E. Craig
Director of Financial Aid
Arkansas State University
State University, AR

Betty L. Davis
Director and Lead Financial Aid Administrator
Community College of Allegheny County
West Mifflin, PA

Janet Dodson
Director of Financial Aid
Doane College
Crete, NE

Judy Layer Florian
Director of Financial Aid
Macomb Community College
Warren, MI

Karen L. Fooks
Director of Financial Aid
University of Florida
Gainesville, FL

Pamela W. Fowler
Vice President of Financial Aid
Sanford-Brown College
St. Louis, MO

Loretta W. Franklin
Dean of Student Finance
DeVRY Institute of Technology
Decatur, GA

Yvonne L. Gittens
Associate Director of Financial Aid
Massachusetts Institute of Technology
Cambridge, MA

Joel V. Harrell
Director of Financial Aid/Scholarships
University of Tennessee-Chattanooga
Chattanooga, TN

Deb A. Heineman
Director, Student Financial Aid
Medical College of Ohio
Toledo, OH

Roger Koester
Director of Financial Aid
Colorado School of Mines
Golden, CO

Janis Linfield
Ex. Director, Student Retention Svcs.
California State University, Hayward
Hayward, CA

Johnathan E. Ortiz
Director, Student Financial Aid
Luna Vocational Tech. Inst.
Las Vegas, NM 87701

Jerry R. Sims
Director of Financial Aid
Art Center College of Design
Pasadena, CA

Carlia Sproles
Director of Financial Aid
Hendrix College
Conway, AR

Barbara E. Tornow
Director of Financial Assistance
Boston University
Boston, MA

Genevieve Watson
Financial Aid Director
Phoenix College
Phoenix, AZ

Rick Weems
Director of Financial Aid
Warner Pacific College
Portland, OR

Willie Williams
Director of Financial Aid
Morris Brown College
Atlanta, GA

Irvin Bodofsky
Director of Financial Aid
SUNY-Health Science Center-Syracuse
Syracuse, NY

Susan Murphy
Associate Dean of Academic Services
University of San Francisco
San Francisco, CA

Susan E. Weinreis
Assistant Director of Financial Aid
Montana State University-Billings
Billings, MT

Barry Munitz
Chancellor of the University
California State University System

March 18, 1997

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C. 20500

'97 MAR 25

The Honorable Richard W. Riley
Secretary of Education
Federal Office Building 10
600 Independence Avenue S.W.
Washington, D.C. 20202-0100

Mr. President and Mr. Secretary:

Tuesday morning I completed a very successful conference call with the chairs of the ACE, NASULGC and AASCU boards. The four of us agreed emphatically that the key now is to keep the higher education community generally behind the policy priorities of your package, and to have our staffs work more deliberately and more quietly on clarification and modification down the road.

As you know, the California State University is the largest system of senior public higher education in the United States with over 340,000 students, more than 40,000 employees and an annual operating budget exceeding $4 billion. At 11:00 this morning, introducing our bi-monthly Board meeting, I formally presented to our Trustees the attached endorsement of all twenty-three CSU Presidents for each component of The White House higher education program, and including the enclosed specifics of our American Council on Education resolution.

I also indicated that we were taking the lead in gathering rapidly similar indications of endorsement from the chief executives of many other public universities across the country. The Board was very pleased with this news, and our Chairman asked that I convey directly to you these specifics immediately. We are also actively discussing this unprecedented action with the statewide education and public policy media and editorial staffs.

With best wishes for the President's speedy recovery and a safe trip to the summit.

Barry

Barry

BM/df

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

March 18, 1997

The Honorable William Jefferson Clinton
The President of the United States

The Honorable Newt Gingrich
Speaker of the House
U.S. House of Representatives

The Honorable Trent Lott
Majority Leader
United States Senate

The Honorable Richard Riley
Secretary of Education

Dear Sirs:

Both the Clinton Administration and the Congress have put forward important and substantial tax proposals to help low-income families, middle class families, and working adults finance higher education.

We commend the President for his exemplary leadership in proposing Hope scholarships, a $10,000 tax deduction for education, and a significant expansion of the Pell grant program. We commend members of Congress of both parties for their suggestions to let families use IRAs without penalty for education, to restore the deductibility of interest on student loans and to make employer provided educational assistance a permanent part of the tax code.

These proposals would, if enacted, help millions of low and middle income families finance higher education. Such a step would pay enormous dividends--both individual and social--in the years ahead.

We strongly encourage Congress and the President to work cooperatively to develop these ideas and pledge to assist both parties to enact legislation that achieves our mutual objectives of providing assistance to students from different socio-economic backgrounds.

Barry Munitz

Signed on behalf of all 23 presidents by Barry Munitz,
Chancellor , The California State University

400 GOLDEN SHORE • LONG BEACH, CA 90802-4275 • (562) 985-2800 • Fax (562) 985-2808 • barry_munitz@calstate.edu

HIGHER EDUCATION ENDORSEMENT LETTERS

(as of April 16, 1997)

Date	Education Associations	Signed By:	Affirmative Sign-on From:
2/22/97	American Association of Community Colleges and Association of Community College Trustees	Montez Martin, Jr., Chair, ACCT Board of Directors and Walter Bumphus, Chair AACC Board of Directors	70 Community College Presidents 280 Community College Trustees
2/23/97	American Council on Education	Resolution by the Board of Directors	31 Board of Directors
3/10/97	Dickinson College (Annapolis Group)	A. Lee Fritschler, President, Dickinson College	105 college presidents
3/17/97	Coalition of Christian Colleges & Universities	Robert C. Andringa, President, Coalition for Christian Colleges and Universities	63 college presidents
3/18/97	California State University System	Barry Munitz, Chancellor, California State University	All 23 college presidents
3/28/97	American Association of State Colleges and Universities	James Appleberry, President, American Association of State Colleges & Universities	15 Board of Directors
3/27/97	National Association of State Universities and Land-Grant Colleges	C. Peter Mcgrath, President NASULGC & Charles Knapp, President, Univ. of Georgia & NASULGC Chair	22 Board of Directors
4/8/97	Association of Jesuit Colleges and Universities	J. Donald Monan, SJ, Interim President	28 Jesuit Colleges and Universities

AACC

ACCT

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES
ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

February 22, 1997

The Honorable William J. Clinton
President
The White House
Washington, D.C. 20500

Dear President Clinton:

On behalf of the American Association of Community Colleges (AACC) and the Association of Community College Trustees (ACCT), representing the collective leadership of the nation's 1,200 community, junior, and technical colleges, we wish to reaffirm our support for your unprecedented commitment to education as announced in your State of the Union Address and reflected in your Fiscal Year 1998 Budget Request to the Congress. The community college sector has repeatedly endorsed many of the elements of your education proposals over the past year, and again expresses its support.

Specifically, a $1,500 tuition tax credit and $10,000 tax deduction would be significant additions to existing student financial assistance programs as means toward financing a college education. The Hope Scholarship program would augment the Pell Grant and other student aid programs that currently serve financially needy community college students. We urge you, however, to make Hope Scholarships as simple and free of restrictive regulation as possible for both students and institutions in order that it serve the broadest segment of the American population as possible. The $10,000 tuition tax deduction would make financing lifelong learning a real possibility for millions of students and families.

AACC, One Dupont Circle, NW, Suite 410, Washington, DC 20036, (202) 728-0200, FAX (202) 833-2467
ACCT, 1740 "N" Street, NW, Washington, DC 20036, (202) 775-4667, FAX (202) 223-1297

Your proposal to increase the maximum Pell Grant award from $2,700 to $3,000 -- the largest increase in two decades -- would greatly enhance access to college by over one million needy students and helps to lessen the corrosive effects of inflation that have reduced Pell's purchasing power in recent years. We applaud your proposal to restore eligibility to 218,000 single independent students who were eliminated by the 1992 Higher Education Amendments. Students who work hard to make it on their own deserve the chance to go to college.

We totally support extending the Employee Educational Assistance Act (Section 127 of the Internal Revenue Code). We firmly believe that employers should assist their employees to upgrade their skills and to remain competitive in the global economy without incurring additional tax liabilities. Continuous learning is now the rule, not the exception in America.

We applaud your leadership to put education first. During the coming week, more than 750 trustees and presidents will carry our support of your education proposals to Capitol Hill, encouraging Congress to join with you in making education a national priority.

Sincerely,

Montez C. Martin, Jr.
Chair
ACCT Board of Directors

Walter Bumphus
Chair
AACC Board of Directors

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES AND ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES LETTER OF SUPPORT, FEBRUARY 22, 1997

Signed by the Following 70 Community College Presidents:

ALABAMA		
Stafford L. Thompson	President	Enterprise State Junior College
ALASKA		
Edna A. MacLean	President	Ilisagvik College
CALIFORNIA		
Fred Gaskin	President	Cerritos Community College
John Schwitters	President	College of Oceaneering
Kenneth D. Yglesias	President	Golden West College
George R. Boggs	President	Palomar College
Philip Westin	Chancellor	Ventura County Community College District
Pamila Fisher	Chancellor	Yosemite Community College
COLORADO		
Cynthia M. Heelan	President	Colorado Mountain College
Joe D. May	President	Pueblo Community College
FLORIDA		
Philip R. Day	President	Daytona Beach Community College
James E. Richburg	President	Okaloosa-Walton Community College
Maryly V. Peck	President	Polk Community College
ILLINOIS		
Donald G. Crist	President	Carl Sandburg College
Gretchen J. Naff	President	College of Lake County
Ruth Mercedes Smith	President	Highland Community College
Vernon O. Crawley	President	Moraine Valley Community College
Paul N. Thompson	President	William Rainey Harper College
IOWA		
William J. Hierstein	President	Hawkeye Community College
Norm Nielsen	President	Kirkwood Community College
David L. Buettner	President	North Iowa Area Community College
Edward E. Schiefer	President	Southeastern Community College- South
KANSAS		
Jacqueline Vietti	President	Butler County Community College

KENTUCKY		
Janice N. Friedel	President	Lexington Community College
MASSACHUSETTS		
David Hartleb	President	Northern Essex Community College
MICHIGAN		
Richard J. Pappas	President	Lake Michigan College
Allen D. Arnold	President	Mott Community College
Frank Marczak	President	Muskegon Community College
Richard Thompson	Chancellor	Oakland Community College
MISSISSIPPI		
Clyde Muse	President	Hinds Community College District
Barry L. Mellinger	President	Mississippi Gulf Coast Community College
MISSOURI		
Norman K. Myers	President	Ozarks Technical Community College
MONTANA		
David Beyer	President	Flathead Valley Community College
NEW JERSEY		
Robert C. Messina	President	Burlington County College
Glen Gabert	President	Hudson County Community College
Thomas D. Sepe	President	Mercer County Community College
William A. Connor	President	Sussex County Community College
NEW YORK		
Stuart Steiner	President	Genesee Community College
Gregory T. DeCinque	President	Jamestown Community College
Sean A. Fanelli	President	Nassau Community College
Mary Ellen Duncan	President	SUNY College of Technology- Delhi
NORTH CAROLINA		
P. Anthony Zeiss	President	Central Piedmont Community College
Desna L. Wallin	President	Forsyth Technical Community College
Patricia Skinner	President	Gaston College
H. James Owen	President	Piedmont Community College
Charles E. Russell	President	Pitt Community College
Harold E. Mitchell	President	Roanoake-Chowan Community College
NORTH DAKOTA		
Donna S. Thigpen	President	Bismarck State College

OHIO

M. Valeriana Moeller	President	Columbus State Community College
Charlotte J. Lee	President	Terra State Community College

OREGON

Stephen J. Kridelbaugh	President	Southwestern Oregon Community College

PENNSYLVANIA

Fred F. Bartok	President	Butler County Community College
John M. Kingsmore	President	Community College of Allegheny County
Gust Zogas	President	Reading Area Community College
Daniel C. Krezenski	President	Westmoreland County Community College

SOUTH CAROLINA

Charles Gould	President	Florence-Darlington Technical College
James L. Hudgins	President	Midlands Technical College

TEXAS

Jackston N. Sasser	President	Lee College
John E. Pickelman	Chancellor	N. Harris Montgomery Comm. Coll. District
James F. Horton	Chancellor	San Jacinto College District

WASHINGTON

Lee Thornton	President	Columbia Basin College
Richard A. Rutkowski	President	Green River Community College
Lydia Ledesma-Reese	President	Skagit Valley College

WEST VIRGINIA

Travis Parker Kirkland	President	Southern West Va. Comm. & Tech. College

WISCONSIN

William Ihlenfeldt	President	Chippewa Valley Technical College
H. Victor Baldi	President	Fox Valley Technical College
John R. Birkholz	President	Milwaukee Area Technical College
John J. Shanahan	President	Moraine Park Technical College
Robert C. Ernst	President	Northcentral Technical College
David R. Hildebrand	President	Wisconsin Indianhead Technical College

AMERICAN COUNCIL ON EDUCATION

RESOLUTION BY THE BOARD OF DIRECTORS OF THE AMERICAN COUNCIL ON EDUCATION ON PRESIDENT CLINTON'S HIGHER EDUCATION INITIATIVES FEBRUARY 23, 1997

WHEREAS, President Clinton has made higher education a central priority of his second term; and

WHEREAS, the Administration has proposed a set of initiatives that, taken together, would ease the burden that students and their families face in financing a higher education; and

WHEREAS, these initiatives include the largest Pell Grant funding increase in the program's history, raising award levels for all students, making an additional 400,000 low-income students eligible, and correcting a long-standing inequity in the treatment of independent students; and

WHEREAS, President Clinton has urged colleges and universities to utilize increased funding in the Federal Work-Study Program to strengthen literacy training efforts; and

WHEREAS, the Administration has proposed the creation of Hope Scholarships, a nonrefundable $1,500 tax credit; a $10,000 tax deduction for higher education expenses; extending the tax exemption for employer-provided education assistance; and authorizing the flexible use of individual retirement accounts for college expenses; and

WHEREAS, the breadth of these recommendations, and the bipartisan interest they have sparked, signify a comprehensive and complementary set of programs that will benefit low- and middle- income families;

THEREFORE, BE IT RESOLVED that the Board of Directors of the American Council on Education:

(1) Commends President Clinton for his exemplary leadership in developing public policy initiatives that will enhance access to college for American families; and

(2) Strongly supports the elements of the President's plan, including increased Pell grant funding, Hope Scholarships, tax deductions, employer-provided education assistance, and the flexible use of retirement accounts to help finance higher education; and

(3) Encourages colleges and universities to participate in the America Reads program; and

4) Looks forward with enthusiasm to working with the President and the Congress in a bipartisan fashion to enact legislation to further open the doors of higher education.

AMERICAN COUNCIL ON EDUCATION
BOARD OF DIRECTORS 1996

EXECUTIVE COMMITTEE

Barry Munitz, Chancellor
The California State University System
Chair

Michele Tolela Myers, President
Denison University
Vice Chair/Chair Elect

Franklyn G. Jenifer, President
University of Texas at Dallas
Immediate Past Chair

Manuel T. Pacheco, President
University of Arizona
Secretary

Nancy Bekavac, President
Scripps College

Myles Brand, President
Indiana University

Daniel F. Moriarty, President
Portland Community College

Stanley O. Ikenberry, President
American Council on Education

CLASS OF 1996

Nancy Bekavac, President
Scripps College
1030 Columbia
Claremont, CA 91711
(909) 621-8148

Myles Brand, President
Indiana University
Bryan Hall 200
Bloomington, IN 47405
(812) 855-4613

Raul Cardenas, President
Paradise Valley Community College
18401 North 32nd Street
Phoenix, AZ 85032
(602) 493-2727

Franklyn G. Jenifer, President
University of Texas at Dallas
P.O. Box 830688
Richardson, TX 75083
(214) 883-2201

Hunter R. Rawlings III, President
Cornell University
Ithaca, NY 14853
(607) 255-5201

Beverly Simone, President
Madison Area Technical College
3550 Anderson Street
Madison, WI 53704-2599
(608) 246-6676

Eleanor J. Smith, Chancellor
University of Wisconsin-Parkside
Box 2000
Kenosha, WI 53141-2000
(414) 595-2211

Cordell Wynn, President
Stillman College
PO Drawer 1430
Tuscaloosa, AL 35403
(205) 349-4240

CLASS OF 1997

Francis T. Borkowski, Chancellor
Appalachian State University
Boone, NC 28608
(704) 262-2040

Rita Bornstein, President
Rollins College
1000 Holt Avenue
Winter Park, FL 32789
(407) 646-2120

Lois B. DeFleur, President
State University of New York
at Binghamton
PO Box 6000
Binghamton, NY 13902-6000
(607) 777-2131

Barry Munitz, Chancellor
The California State University System
400 Golden Shore Drive
Long Beach, CA 90802
(310) 985-2800

Manuel T. Pacheco, President
University of Arizona
Tucson, AZ 85721
(602) 621-5511

Sherry H. Penney, Chancellor
University of Massachusetts Boston
100 Morrisey Building
Boston, MA 02125
(617) 287-6800

Gwendolyn W. Stephenson, Chancellor
St. Louis Community College Center
300 S. Broadway
St. Louis, MO 63102
(314) 539-5150

CLASS OF 1998

Raymond C. Bowen, President
LaGuardia Community College
City University of New York
31-10 Thomson Avenue
Long Island City, NY 11101
(718) 482-5050

John A. DiBiaggio, President
Tufts University
Medford, MA 02155
(617) 627-3300

Edward B. Fort, Chancellor
North Carolina Agricultural &
Technical State University
1601 E. Market Street
Greensboro, NC 27411
(910) 334-7940

Martin C. Jischke, President
Iowa State University
117 Beardshear Hall
Ames, IA 50011-2035
(515) 294-2042

Steven S. Koblik, President
Reed College
3203 S.E. Woodstock Boulevard
Portland, OR 97202-8199
(503) 771-7500

Michele Tolela Myers, President
Denison University
Granville, OH 43023
(614) 587-6281

Eduardo J. Padrón, President
Miami-Dade Community College
300 N.E. Second Avenue
Miami, FL 33132
(305) 237-3316

Elisabeth Zinser, Chancellor
University of Kentucky
Lexington Campus
111 Administration Building
Lexington, KY 40506-0032
(606) 257-2911

ELECTED OFFICERS OF ASSOCIATIONS—EX OFFICIO FOR THREE-YEAR TERMS:

Association of American Colleges & Universities
Harold W. Eickhoff, President
The College of New Jersey
Hillwood Lakes, CN 4700
Trenton, NJ 08650-4700
(609) 771-2101

American Association of Community Colleges
Daniel F. Moriarty, President
Portland Community College
PO Box 19000
Portland, OR 97280
(503) 977-4916

American Association of State Colleges & Universities
Vera King Farris, President
Richard Stockton College of New Jersey
Jim Leeds Road
Pomona, NJ 08240
(609) 652-4521

Association of American Universities
F. Patrick Ellis, FSC, President
The Catholic University of America
620 Michigan Avenue, NE
Washington, DC 20064
(202) 319-5100

Association of Catholic Colleges & Universities
Karen M. Kennelly, CSJ
President
Mount St. Mary's College
12001 Chalon Road
Los Angeles, CA 90049-1599
(310) 471-9500

Association of Jesuit Colleges & Universities
John P. Schlegel, SJ, President
University of San Francisco
2130 Fulton Street
San Francisco, CA 94117
(415) 666-6762

Council of Independent Colleges
John L. Henderson, President
Wilberforce University
Wilberforce, OH 45384
(513) 376-2911 x704

National Association for Equal Opportunity in Higher Education
Earl S. Richardson, President
Morgan State University
Hillen Road & Cold Spring Lane
Baltimore, MD 21239
(410) 319-3200

National Association of Independent Colleges & Universities
Michael F. Adams, President
Centre College
600 West Walnut St.
Danville, KY 40422
(606) 238-5220

National Association of State Universities & Land-Grant Colleges
Frederick E. Hutchinson, President
University of Maine
Orono, ME 04469-5703
(207) 581-1512

ELECTED OFFICERS OF ASSOCIATIONS—EX OFFICIO FOR ONE-YEAR TERMS:

National Association of Student Financial Aid Administrators
Dallas Martin, President
National Association of Student Financial Aid Administrators
1920 L Street, NW
Washington, D.C. 20036-5020
(202) 785-0453

Association of American Medical Colleges
Paul J. Friedman, M.D.
Professor of Radiology
University of California Medical Center–8756
200 West Arbor Drive
San Diego, CA 92103-8756
(619) 543-6633

Washington Higher Education Secretariat
Mary Burgan, General Secretary
American Association of University Professors
1012 14th Street, NW, Suite 500
Washington, DC 20005
(202) 737-5900 x3019

EXECUTIVE SECRETARY

Irene L. Gomberg
American Council on Education
One Dupont Circle, NW
Washington, DC 20036
(202) 939-9315

11/12/96

DICKINSON
COLLEGE
CARLISLE, PENNSYLVANIA 17013-2896

OFFICE OF THE PRESIDENT

March 10, 1997

The Honorable Bill Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington DC 20500

Dear Mr. President :

We are writing on behalf of the thousands of students whom we serve to applaud your efforts to place higher education at the top of the nation's list of priorities, and to recognize its potential as an investment for our political and economic future.

Before you are a number of excellent proposals that would collectively give millions of Americans the chance to pursue their dreams of achieving a college education. Among these are proposals to increase traditional student aid programs such as Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work Study.

Also before you are innovative proposals that would use the tax code to help ease the burden on families that are hard-pressed to send their children to college. These tax proposals include: the President's Hope Scholarship; tax deductions for college expenses; tax-free education savings accounts; the exclusion of taxes on fellowships and scholarships; the extension of Section 127 which excludes from tax employer-provided educational assistance; and the restoration of the student loan interest deduction. All of these ideas are meritorious and deserve your careful consideration and support. If enacted, they would represent the bright promise to families that if they work hard and plan ahead, a college education for their children will be within reach.

The current federal investment in higher education, represented by the student aid programs, not only has been of great benefit to individuals, it also represents a very real investment in the betterment of our society. Study after study clearly shows that college graduates earn more money, pay more taxes, use fewer government services, and serve in charitable activities and community leadership roles in the areas where they live. Tomorrow's political, business, and community leaders are the college students of today.

The Honorable Bill Clinton
March 10, 1997
Page Two

You now have before you an historic opportunity to build upon this legacy and fulfill this bright promise. We urge you to stay the course, work together, and pass a package of proposals that will open the doors of college for all Americans. We stand ready to work with you and to show you precisely how these programs will make a very real difference for families. We also stand ready to speak up loudly in support of your efforts and to let the American people know what hard work and creative thinking can achieve.

On this matter of public policy, our appreciation is profound and our determination unfailing. Don't let this historic opportunity for America pass us by.

On behalf of all of us listed on the following pages, I am

Sincerely,

A. Lee Fritschler
President

ALF·als

The following presidents have endorsed this letter and authorize the addition of their signatures:

Agnes Scott College, Decatur GA - *Mary Brown Bullock*

Albion College, Albion MI - *Melvin L. Vulgamore*

Albright College, Reading PA - *Ellen S. Hurwitz*

Allegheny College, Meadville PA - *Richard J. Cook*

Allentown College of Saint Francis de Sales, Center Valley PA - *The Rev. Daniel G. Gambet*

Alma College, Alma MI - *Alan J. Stone*

Alvernia College, Reading PA - *Daniel N. DeLucca*

Augustana College, Rock Island IL - *Thomas Tredway*

Baldwin-Wallace College, Berea OH - *Neal Malicky*

Barnard College, New York NY - *Judith R. Shapiro*

Bates College, Lewiston ME - *Donald W. Harward*

Beaver College, Glenside PA - *Bette E. Landman*

Beloit College, Beloit WI - *Victor E. Ferrall, Jr.*

Berea College, Berea KY - *Larry D. Shinn*

Bryn Mawr College, Bryn Mawr PA - *Mary Patterson McPherson*

Bucknell University, Lewisburg PA - *William D. Adams*

Cabrini College, Radnor PA - *Antoinette Iadarola*

Centre College, Danville KY - *Michael F. Adams*

Chatham College, Pittsburgh PA - *Esther L. Barazzone*

Clark University, Worcester MA - *Richard P. Traina*

Colby College, Waterville ME - *William R. Cotter*

Colgate University, Hamilton NY - *Neil R. Grabois*

College of the Holy Cross, Worcester MA - *The Rev. Gerard Reedy*

The College of Wooster, Wooster OH - ***R. Stanton Hales***

The Colorado College, Colorado Springs CO - ***Kathryn J. Mohrman***

Denison University, Granville OH - ***Michele Tolela Myers***

Dickinson College, Carlisle PA - ***A. Lee Fritschler*** and ***Sidney D. Kline***, Jr., Chairman of the Board

Drew University, Madison NJ - ***Thomas Kean***

Drexel University, Philadelphia PA - ***Constantine N. Papadakis***

Earlham College, Richmond IN - ***Eugene S. Mills***

Eckerd College, St. Petersburg FL - ***Peter H. Armacost***

Elizabethtown College, Elizabethtown PA - ***Theodore E. Long***

Franklin and Marshall College, Lancaster PA - ***A. Richard Kneedler***

Furman University, Greenville SC - ***David E. Shi***

Gannon University, Erie PA - ***Monsignor David A. Rubino***

Geneva College, Beaver Falls PA - ***John H. White***

Gettysburg College, Gettysburg PA - ***Gordon A. Haaland***

Gordon College, Wenham MA - ***R. Judson Carlberg***

Goucher College, Towson MD - ***Judy Jolley Mohraz***

Gustavus Adolphus College, St. Peter MN - ***Axel D. Steuer***

Gwynedd-Mercy College, Gweynedd Valley PA - ***Sister Linda Bevilacqua***

Hamilton College, Clinton NY - ***Eugene M. Tobin***

Hampshire College, Amherst MA - ***Gregory S. Prince, Jr.***

Harcum College, Bryn Mawr PA - ***Patricia M. Ryan***

Hobart and William Smith Colleges, Geneva NY - ***Richard H. Hersh***

Holy Family College, Philadelphia PA - ***Sister Francesca Onley***

Juniata College, Huntingdon PA - ***Robert W. Neff***

Kalamazoo College, Kalamazoo MI - ***James F. Jones, Jr.***

Keystone College, LaPlume PA - ***Edward G. Boehm, Jr.***

King's College, Wilkes-Barre PA - ***The Rev. James Lackenmier***

Lake Forest College, Lake Forest IL - ***David Spadafora***

Lawrence University, Appleton WI - ***Richard Warch***

Lebanon Valley College, Annville PA - ***G. David Pollick***

Lewis and Clarke College,Portland OR - ***Michael Mooney***

Manor Junior College, Jenkintown PA - ***Sister Mary Cecilia***

Mercyhurst College, Erie PA - ***William P. Garvey***

Messiah College, Grantham PA - ***Rodney J. Sawatsky***

Mills College, Oakland CA - ***Janet L. Holmgren***

Moore College of Art and Design, Philadelphia PA - ***Barbara Gillette Price***

Moravian College, Bethlehem PA - ***Roger H. Martin***

Mount Holyoke College, South Hadley MA - ***Joanne V. Creighton***

Neumann College, Aston PA - ***Rosalie M. Mirenda***

Oberlin College, Oberlin OH - ***Nancy Schrom Dye***

Occidental College, Los Angeles CA - ***John Brooks Slaughter***

Ohio Wesleyan University, Delaware OH - ***Thomas B. Courtice***

Peirce College, Philadelphia PA - ***Arthur J. Lendo***

Pennsylvania College of Podiatric Medicine, Philadelphia PA - ***John F. D'Aprix***

Philadelphia College of Bible, Langhorne PA - ***W. Sherrill Babb***

Philadelphia College of Pharmacy and Science, Philadelphia PA - ***Philip P. Gerbino***

Philadelphia College of Textiles and Science, Philadelphia PA - ***James P. Gallagher***

Pitzer College, Claremont CA - ***Marilyn Chapin Massey***

Point Park College, Pittsburgh PA - ***Katherine U. Henderson***

Randolph-Macon College, Ashland VA - ***Ladell Payne***

Reed College, Portland OR - ***Steven S. Koblik***

Rollins College, Winter Park FL - ***Rita Bornstein***

Rosemont College, Rosemont PA - ***Margaret M. Healy***

St. John's College, Annapolis MD - ***Christopher B. Nelson***

St. John's University, Collegeville MN - ***Brother Dietrich Reinhart***

Salem Academy and College, Winston-Salem NC - ***Julianne Still Thrift***

Scripps College, Claremont CA - ***Nancy Bekavac***

Seton Hill College, Greensburg PA - ***JoAnne W. Boyle***

Skidmore College, Saratoga Springs NY - ***David H. Porter***

Swarthmore College, Swarthmore PA - ***Alfred H. Bloom***

Susquehanna University, Selinsgrove PA - ***Joel L. Cunningham***

Thiel College, Greenville PA - ***C. Carlyle Haaland***

Trinity College, Hartford CT - ***Evan S. Dobelle***

Trinity University, San Antonio TX - ***Ronald K. Calgaard***

Union College, Schenectady NY - ***Roger L. Hull***

University of Puget Sound, Tacoma WA - ***Susan Resneck Pierce***

University of Scranton, Scranton PA - ***The Rev. J. A. Panuska***

Ursinus College, Collegeville PA - ***John Strassburger***

Vassar College, Poughkeepsie NY - ***Frances D. Fergusson***

Villanova University, Villanova PA - ***The Rev. Edmund J. Dobbin***

Washington and Jefferson College, Washington PA - ***Howard J. Burnett***

Washington and Lee University, Lexington VA - ***John W. Elrod***

Wheaton College, Norton MA - ***Dale Rogers Marshall***

Whitman College, Walla Walla WA - ***Thomas E. Cronin***

Widener University, Chester PA - ***Robert J. Bruce***

Wilkes University, Wilkes-Barre PA - ***Christopher N. Breiseth***

Willamette University, Salem OR - ***Jerry E. Hudson***

Williams College, Williamstown MA - ***Harry C. Payne***

Wilson College, Chambersburg PA - ***Gwendolyn Evans Jensen***

Wittenberg University, Springfield OH - ***L. Baird Tipson***

York College of Pennsylvania, York PA - ***George W. Waldner***

Coalition for Christian Colleges & Universities

...integrating scholarship, faith and service

329 Eighth Street, N.E.
Washington, D.C. 20002-6158

Tel: (202) 546-8713
Fax: (202) 546-8913

Robert C. Andringa, Ph.D.
President

March 17, 1997

Dear President Clinton and Congressional Leaders,

We are writing on behalf of the 150,000 plus students served by Coalition colleges and universities to commend your efforts to place higher education at the top of the nation's list of priorities, and to recognize education's potential as an investment for our political, economic, and civic well-being as a nation.

Before you are a number of excellent proposals that would collectively give millions of Americans the chance to pursue their dreams of achieving a college education. Among these are proposals to increase traditional student aid programs such as Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work Study.

Also before you are innovative proposals that would use the tax code to help ease the burden on families that are hard-pressed to send their children to college. These tax proposals include: the President's Hope Scholarship; tax deductions for college expenses; tax-free education savings accounts; the exclusion of taxes on fellowships and scholarships; the extension of Section 127, which excludes from tax employer-provided educational assistance; and the restoration of the student loan interest deduction. All of these ideas are meritorious and deserve your careful consideration and support. If enacted, they would represent the bright promise to families that if they work hard and plan ahead, a college education for their children will be within reach.

The current federal investment in higher education, represented by the student aid programs, not only has been of great benefit to individuals, it also represents a very real investment in the betterment of our society. Study after study clearly shows that college graduates earn more money, pay more taxes, use fewer government services, and serve in charitable activities and community leadership roles in the areas where they live. Tomorrow's political, business, and community leaders are the college students of today.

You have an historical opportunity to build upon this legacy and fulfill this bright promise. We urge you to stay the course, work together in a bipartisan manner, and pass a package of proposals that will open the doors of college for all qualified Americans. We stand ready to work with you and to show you precisely how these programs will make a very real difference for families. We also stand ready to speak up loudly in support of your efforts and to let the American people know what hard work and creative thinking can achieve.

On this matter of public policy, our appreciation is profound and our determination unfailing. Please don't let this historic opportunity for America pass us by.

Sincerely,

R. Andringa

Robert C. Andringa, President
Coalition for Christian Colleges & Universities

Presidents who requested to be signatories:

Dr. Gordon Anderson, President
North Central Bible College, MN

Dr. AJ Anglin, President
Trinity Christian College, IL

Dr. Alvin Austin, President
LeTourneau University, TX

Dr. LeVon Balzer, President
John Brown University, AR

Dr. Jay Barber, President-Elect
Warner Pacific College, OR

Dr. James Barnes, President
Indiana Wesleyan University, IN

Dr. Jim Bond, President
Point Loma Nazarene College, CA

Dr. John Bowling, President
Olivet Nazarene University, IL

Dr. David Brandt, President
Tabor College, KS

Dr. William Brown, President
Bryan College, TN

Dr. George Brushaber, President
Bethel College, MN

Dr. James Bultman, President
Northwestern College, IA

Dr. Gaylen Byker, President
Calvin College, MI

Dr. Robert Campbell, President
Sterling College, KS

Dr. Judson Carlberg, President
Gordon College, MA

Dr. Daniel Chamberlain, President
Houghton College, NY

Dr. Paul Conn, President
Lee College, TN

Dr. Clyde Cook, President
Biola University, CA

Dr. Gary Cook, President
Dallas Baptist University, TX

Dr. Paul Corts, President
Palm Beach Atlantic College, FL

Dr. William Crothers, President
Roberts Wesleyan College, NY

Dr. Dennis Davis, President
Northwest College, WA

Dr. David Dockery, President
Union University, TN

Dr. Blair Dowden, President
Huntington College, IN

Dr. Ronald Ellis, President
California Baptist College, CA

Dr. LeBron Fairbanks, President
Mount Vernon Nazarene College, OH

Dr. James Grant, President
Simpson College, CA

Dr. Loren Gresham. President
Southern Nazarene University, OK

Dr. Richard Hagood, President
Northwest Nazarene College, ID

Dr. Gregory Hall, President
Warner Southern College, FL

Dr. Harold Howard
Dr. John Schauss, Co-Presidents
Eastern College, PA

Mr. William Hurt, President
Montreat College, NC

Dr. Ronald Johnson, President
Malone College, OH

Dr. Thomas Johnson, President
University of Sioux Falls, SD

Dr. Gregory Jordan, President
King College, TN

Dr. Jay Kesler, President
Taylor University, IN

Mr. Wayne Kraiss, President
Southern California College, CA

Dr. Joseph Lapp, President
Eastern Mennonite University, VA

Dr. LeRoy Lawson, President
Pacific Christian College, CA

Dr. Terry Lindvall, President
Regent University, VA

Dr. Ronald Manahan, President
Grace College, IN

Dr. David Miller, President
Western Baptist College, OR

Dr. Paul Mills, President
Bartlesville Wesleyan College, OK

Dr. JamesMcHann, President
William Tyndale College, MI

Dr. Millard Reed, President
Trevecca Nazarene University, TN

Dr. Bob Riley, President
East Texas Baptist University, TX

Dr. William Robinson, President
Whitworth College, WA

Dr. Rodney Sawatsky, President
Messiah College, PA

Dr. Ronald Schmidt, President
Colorado Christian University, CO

Dr. David Schroeder, President
Nyack College, NY

Dr. Shirely Showalter
Goshen College, IN

Dr. Lee Snyder, President
Bluffton College, OH

Dr. Robert Spence, President
Evangel College, MO

Dr. Richard Spindle, President
MidAmerica Nazarene College, KS

Dr. Edward Stevens, President
George Fox University, OR

Dr. Jerol Swaim, President
Williams Baptist College, AR

Dr. Pat Taylor, President
Southwest Baptist University, MO

Dr. John White, President
Geneva College, PA

Dr. Bill Williams, President
Grand Canyon University, AZ

Dr. David Winter, President
Westmont College, CA

Dr. Carl Zylstra, President
Dordt College, IA

THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD • CHANNEL ISLANDS • CHICO • DOMINGUEZ HILLS • FRESNO • FULLERTON • HAYWARD • HUMBOLDT
LONG BEACH • LOS ANGELES • MARITIME ACADEMY • MONTEREY BAY • NORTHRIDGE • POMONA • SACRAMENTO
SAN BERNARDINO • SAN DIEGO • SAN FRANCISCO • SAN JOSE • SAN LUIS OBISPO • SAN MARCOS • SONOMA • STANISL

ARRY MUNITZ
CHANCELLOR

March 18, 1997

The Honorable William Jefferson Clinton
The President of the United States

The Honorable Newt Gingrich
Speaker of the House
U.S. House of Representatives

The Honorable Trent Lott
Majority Leader
United States Senate

The Honorable Richard Riley
Secretary of Education

Dear Sirs:

Both the Clinton Administration and the Congress have put forward important and substantial tax proposals to help low-income families, middle class families, and working adults finance higher education.

We commend the President for his exemplary leadership in proposing Hope scholarships, a $10,000 tax deduction for education, and a significant expansion of the Pell grant program. We commend members of Congress of both parties for their suggestions to let families use IRAs without penalty for education, to restore the deductibility of interest on student loans and to make employer provided educational assistance a permanent part of the tax code.

These proposals would, if enacted, help millions of low and middle income families finance higher education. Such a step would pay enormous dividends--both individual and social--in the years ahead.

We strongly encourage Congress and the President to work cooperatively to develop these ideas and pledge to assist both parties to enact legislation that achieves our mutual objectives of providing assistance to students from different socio-economic backgrounds.

Signed on behalf of all 23 presidents by Barry Munitz, Chancellor
The California State University

400 Golden Shore, Long Beach, California 90802 • Phone (562) 985-2800 • Fax (562) 985-2800 • barry_munitz@qm.calstate.edu

American Association of State Colleges and Universities
One Dupont Circle • Suite 700 • Washington, DC 20036-1192 • phone 202/293-7070 • fax 202/296-5819

March 28, 1997

The Honorable William Jefferson Clinton
The President of the United States

The Honorable Trent Lott
Majority Leader
United States Senate

The Honorable Newt Gingrich
Speaker of the House
U.S. House of Representatives

Dear Sirs:

Both the Clinton administration and the Congress have put forward important and substantial tax proposals to help middle-income families and working adults finance higher education.

We commend the President for his exemplary leadership in proposing that the tax code be used to provide millions of dollars in financial aid for students and families, as well as a significant expansion of the Pell grant program. We commend members of Congress of both parties for their suggestion to let families use IRAs without penalty for education, to restore deductibility of interest on student loans, and to make employer-provided educational assistance a permanent part of the tax code.

Education-related uses of the tax code would, if properly enacted, help millions of low- and middle-income families finance higher education. Such a step would pay enormous dividends--to both individuals and to society--in the years ahead.

We strongly encourage Congress and the President to work cooperatively to develop these ideas and pledge to assist both parties to enact legislation that achieves our mutual objectives of providing assistance to students from different socio-economic backgrounds.

Sincerely,

James B. Applebery

James B. Applebery
President

pc: The Honorable Richard Riley

Signed on behalf of AASCU's Board of Directors listed on the enclosed page.

AASCU BOARD OF DIRECTORS SIGNATORIES

Chair
President Vera King Farris
The Richard Stockton College of New Jersey

Secretary/Treasurer
President James E. Walker
Middle Tennessee State University

Chair Elect
President Ed M. Elliott
Central Missouri State University

Past Chair
President Constantine W. Curris
Clemson University
(South Carolina)

Directors
President Tomás Arciniega
California State University, Bakersfield

President David G. Carter
Eastern Connecticut State University

President David E. Gilbert
Eastern Oregon State College

President Sheila Kaplan
Metropolitan State College of Denver
(Colorado)

Dr. John M. Lilley
Penn State Erie, The Behrend College
(Pennsylvania)

President Norma S. Rees
California State University, Hayward

President Jerome H. Supple
Southwest Texas State University

President Adrian Tinsley
Bridgewater State College
(Massachusetts)

Chancellor Clifford M. Trump
State College System of West Virginia

President Clair Van Ummersen
Cleveland State University
(Ohio)

President John Worthen
Ball State University
(Indiana)

Dr. Marriott

NASULGC National Association of State Universities and Land-Grant Colleges

RECEIVED APR - 4 1997

March 27, 1997

The Honorable William Jefferson Clinton
The President of the United States

The Honorable Thomas A. Daschle
Minority Leader
United States Senate

The Honorable Richard Gephardt
Minority Leader
U. S. House of Representatives

The Honorable Trent Lott
Majority Leader
United States Senate

The Honorable Newt Gingrich
Speaker of the House
U. S. House of Representatives

The Honorable Richard Riley
Secretary of Education

Dear Sirs:

Both the Clinton Administration and the Congress have put forward important and substantial tax proposals to help low-income families, middle class families, and working adults finance higher education.

We commend the President for his exemplary leadership in proposing Hope scholarships, a $10,000 tax deduction for education, and a significant expansion of the Pell grant program. We commend members of Congress of both parties for their suggestions to let families use IRAs without penalty for education, to restore the deductibility of interest on student loans and to make employer provided education assistance a permanent part of the tax code.

These proposals would, if enacted, help millions of low and middle income families finance higher education. Such a step would pay enormous dividends -- both individual and social -- in the years ahead.

We strongly encourage Congress and the President to work cooperatively to develop these ideas and pledge to assist both parties to enact legislation that achieves our mutual objectives of providing assistance to students from different socio-economic backgrounds.

Cordially,

C. Peter Magrath

C. Peter Magrath
President, National
Association of State Universities
and Land-Grant Colleges

Charles B Knapp

Charles B. Knapp
President, University of
Georgia, and NASULGC Chair

Signed on behalf of all 20 presidents and chancellors of the NASULGC Board of Directors by C. Peter Magrath, President, National Association of State Universities and Land-Grant Colleges and Charles B. Knapp, President, University of Georgia, and NASULGC Chair.

One Dupont Circle, NW Suite 710 • Washington, DC 20036-1191 • (202) 778-0818 • Fax (202) 296-6456

Charles B. Knapp
President, University of Georgia
and Chair, NASULGC Board of Directors

C. Peter Magrath
President, National Association of State
Universities and Land-Grant Colleges

Myles Brand
President, Indiana University

Carol A. Cartwright
President, Kent State University

William B. DeLauder
President, Delaware State University

Lattie F. Coor
President, Arizona State University

Lois B. DeFleur
President, State University of New York
at Binghamton

E. Gordon Gee
President, The Ohio State University

M.R.C. Greenwood
Chancellor, University of California,
Santa Cruz

Ernest L. Holloway
President, Langston University

Frederick S. Humphries
President, Florida A&M University

Martin C. Jischke
President, Iowa State University

William E. Kirwan
President, University of Maryland at
College Park

Donald N. Langenberg
Chancellor, University of Maryland System

Joan R. Leitzel
President, University of New Hampshire

Michael P. Malone
President, Montana State University

Gregory M. St.L. O'Brien
Chancellor, University of New Orleans

Manuel T. Pacheco
President, The University of Arizona

Samuel H. Smith
President, Washington State University

Graham B. Spanier
President, Pennsylvania State University

James J. Stukel
President, University of Illinois

Laurel L. Wilkening
Chancellor, University of California
at Irvine

AJCU

ASSOCIATION OF JESUIT COLLEGES AND UNIVERSITIES

April 8, 1997

Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I write on behalf of our association of the twenty-eight Jesuit colleges and universities to congratulate you for proposing the Hope and Educational Opportunity Act of 1997. Your initiative has focused attention on the critical importance of higher education as a national priority together with the issues of affordability of college for the majority of Americans and a reemphasis on the role of the Federal government in assuring educational opportunities.

In a period of necessary fiscal constraint, your courage in proposing creative new funding for students is most appealing, particularly the $1,500 scholarship tax credit. This additional credit should encourage more students to participate in the higher education process. The $10,000 tuition deduction can only continue to help middle class students and their families to cope with and offset college costs, particularly for multi-student families.

In the interests of both students and of our institutions, however, we do have serious questions regarding implementation of the $1,500 scholarship tax credit. To the extent that the thrust of the program is further to expand access, the Federal requirement of a B minus average will almost certainly penalize many of the precise students it was designed to assist. For the majority of students and their universities, we are greatly concerned at the additional administrative complication that would result in reporting to the Treasury Department on maintenance of student grades. This is not the time to impose additional costs and manpower hours to report this information to the Treasury. Furthermore, initiating a previous drug arrest record of potential tax credit awardees with the FBI raises concerns about personal intrusion that have never been necessary for any of the other Federal student aid programs.

[illegible]

We support and applaud your suggestions for increasing Pell Grants. This program alone provides educational opportunities for a majority of Americans who could not normally pursue a college education without Pell assistance. We would even encourage more substantial amounts for Pell Grants as this program remains the cornerstone of student financial aid.

With equal vigor, we support your efforts to continue with all the campus-based aid programs including a substantial increase for the Federal Work Study Program. As you are well aware, many of our campuses have had literacy tutoring programs in place for many years. As part of this effort, our association will continue to promote the "America Reads Challenge." The Supplemental Education Opportunity grants and work-study continue to be the best instruments our financial aid officers possess in adapting to the pressing individual needs of students.

While middle class Americans do need economic relief in providing quality education for their children, it is the neediest of students who continue to be most reliant upon the assistance of the Federal government and of individual campuses as well. That is why emphasis on Pell Grants together with the campus-based aid programs is so urgently pressing. In this connection, we are disappointed that you did not request funding for the State Student Incentive Grant Program, 80% of whose recipients have family incomes below $12,500.

Finally, we want to assure you that more Federal assistance for student aid will not be the cause of increased tuition costs. Paradoxically, the fastest growing cost center driving up tuitions in private universities for the past decade has been the provision of institutional financial aid to our students. The more Federal funding available for students, the less pressure exists for institutional aid. Thus, this rapidly escalating cost center for the institution is brought under control

Mr. President, we welcome the opportunity to work with you. As a graduate of a Jesuit university, we continue to be especially proud of your accomplishments. We wish you well in the success of your second term.

Sincerely,

J. Donald Monan, SJ

J. Donald Monan, SJ
Interim President

cc: Honorable Richard W. Riley
Honorable James M. Jeffords
Honorable Edward M. Kennedy
Honorable William F. Goodling
Honorable William Clay

Clinton Presidential Records
Digital Records Marker

Divider Title: 4

Comparison of the Tax Benefits: HOPE Scholarships vs. Student Loan Interest Deduction

Assume a family of three with a $40,000 annual income and one child attending a college where the annual tuition is $4,000. This student would be eligible for the minimum Pell Grant ($400).

Further assume that the student would borrow the average amount ($13,625) for undergraduates, plus an additional $8,000 per year for graduate study. Based on family income, the student would be eligible for the Stafford Loan program in which the government pays the interest charges while the student is in school.

HOPE Scholarship and $10,000 Tuition Deduction
Under the President's plan, the taxpayer would receive a $1,500 tax credit for each of the student's first two years of college. Additionally, the taxpayer would be permitted to deduct $3,600 ($4,000 less the $400 Pell Grant) from adjusted gross income for the student's Junior and Senior years, resulting in tax savings of $540 for each year.

➤ *Total tax savings for four years of undergraduate study: $4,080.*

If the student continues for two years of graduate study (at $6,500 annual tuition), then the taxpayer could deduct the full amount of tuition paid (Pell Grants are available to undergraduates only) resulting in a $975 tax reduction each year.

Total tax savings for two years of graduate study: $1,950.

➤ *Total tax savings for six years of study: $6,030.*

Student Loan Interest Deduction
If the student is not continuing his or her education, then he or she would begin repaying the $13,625 borrowed. At an 8.25 percent annual interest rate (the statutory maximum) the first-year interest bill would be $1,090. The student's tax savings in the first year of repayment (four years after enrolling in college) would be about $163.

➤ *Total tax savings over ten years of repayment (after four years of study): $964.*

If the student continues for two years of graduate study and borrows an additional $8,000 each year, then the student's tax savings in the first year of repayment (six years after enrolling in college) would be $355.

➤ *Total tax savings over ten years of repayment (after six years of study): $2,097.*

Summary
Tax benefits under the President's plan are provided during the college years. The full tax benefit for a deduction for student loan interest payments is realized many years after graduation.

Tax Proposal and Tax Benefits	Undergraduate (Four Years)	Graduate (Six Years)
HOPE Credit and Deduction	$4,080	$6,030
Student Loan Interest Deduction	964	2,097

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **5**

FAX TRANSMISSION

THE BROOKINGS INSTITUTION

Economic Studies Program
1775 Massachusetts Avenue, NW
Washington, DC 20036
Tel: 202/797-6000
Fax: 202/797-6181

To: Gene Sperling **Date:** June 5, 1997

Fax #: 456-2878 **Pages:** 9, including this cover sheet.

From: Robert Reischauer (797-6056) and
Lois Rice (797-6117)

Subject: Brown Center on Education Policy Discussion of Tax Proposals for Post-Secondary Education

Comments:

I thought you might find this interesting.

A Saving Oriented Suggestion for the Tax-Based Education Provisions of the FY1998 Reconciliation Bill

Taxpayers could establish an educational saving account for each dependent child who was eligible for the child tax credit or a single account for all the family's children. If the taxpayer requested and provided the routing number, the IRS could deposit the child tax credit amount directly into the account. Alternatively, the family could make a deposit into the account of an amount not to exceed the child tax credit for which for which it was eligible. Earnings on balances in these educational saving accounts would not be subject to income tax if the proceeds were used for tuition and fees. If withdrawn before such expenses were incurred or if the child did not go on to post-secondary school or did not incur any eligible expenses while in school, the accumulated earnings would be taxed upon withdrawal at regular tax rates plus a small penalty. (Alternatively, unused balances could be rolled over into the taxpayer's IRA.) The balances in these accounts would have to be withdrawn before the child listed on the account reached a certain age (for example, 27) unless the child was enrolled in a degree/certificate granting program at that time.

While the child tax credit would not be refundable, those without positive tax liability would not be excluded from this program. An amount equal to a fraction of the credit (50 percent. for example) would be deposited in an account held by the Treasury in the child's name. Families that currently do not have to file an income tax return would have to file a return to be eligible for this benefit. Balances in these "education grub-stake" accounts would be invested in government securities. Statements would be sent to the families each year reporting the balances in these accounts and the size of the accumulation that might be available when the child reached age 18. This might encourage children in low-income families and their parents to view post-secondary education as a viable option while the children were young and enhance school performance and retention. If the child incurred tuition expenses for post-secondary education, the institution could bill the child's account directly for amounts that did not exceed the account balance. Balances that remained in these grun stakes accounts after the child reached 27 years of age would revert to the Treasury or could be left for later use as life-time learning accounts.

Families with positive tax liabilities might be permitted to match, on a fractional basis, deposits made into educational savings accounts.

Educational expenses would not be a permissible use of tax-advantaged retirement IRA balances.

Robert D. Reischauer
The Brookings Institution
(202) 797-6056
May 27, 1997

THE BROOKINGS INSTITUTION

1775 MASSACHUSETTS AVENUE, N.W. WASHINGTON, D.C. 20036-2188
TELEPHONE: 202/797-6000 FAX: 202/797-6181

ECONOMIC STUDIES PROGRAM

Brown Center on Education Policy

May 28th Discussion
at The Brookings Institution

of

Tax Incentives for Post-Secondary Education and Training

LIST OF PARTICIPANTS

David W. Breneman	Dean, School of Education, Universitiy of Virginia
Gary Burtless	Senior Fellow, Brookings
William Gale	Senior Fellow, Brookings
Arthur Hauptman	Consultant
Thomas Kane	Kennedy School of Government, Harvard University
Robert Litan	Director, Brookings
Michael McPherson	President, Macalester College
Robert Reischauer	Senior Fellow, Brookings
Lois Rice	Guest Scholar, Brookings
Isabel Sawhill	Senior Fellow, The Urban Institute
Eugene Steuerle	Senior Fellow, The Urban Institute

THE BROOKINGS INSTITUTION
BROWN CENTER ON EDUCATION POLICY

SUMMARY OF DISCUSSION ON TAX-RELATED EDUCATION PROVISIONS

The May 1997 bipartisan budget agreement reserved about $35 billion over the fiscal 1998-2002 period for tax policies intended to assist students and their families meet the costs of post-secondary education and training. The Brown Center on Education Policy of the Brookings Institution convened a group of economists and education policy analysts on May 28th to discuss the most effective use of these resources. The discussion focused on the question of how to design tax-related provisions for education to maximize their efficiency, equity and coherence with other federal, state, and institutional aid efforts.

This document summarizes the group's discussion. While there was wide agreement on many issues, no effort was made to achieve unanimity. Therefore, not all of the participants (see attached list) endorse all of the recommendations.

Executive Summary

The group agreed on the following points:

- There should be either a tax credit or a tax deduction for educational expenses, but not both.

- The cumulative benefits of student aid programs and tax policies should be distributed as progressively as possible.[1] To further enhance progressivity in the distribution of tax benefits, the following steps could be taken:

    - Adopt a tax credit rather than a deduction because the tax benefits would be more progressively distributed.

    - Make the size of the tax credit independent of the student's Pell Grant award.

    - Make the tax credit refundable to those whose tax liability was less than the credit. Because of the administrative and other difficulties entailed in refundability, there should be an exploration of ways in which educational institutions might administer the credit for those students with little or no tax liability.

[1] The attached graph shows the distribution by income and by institutional type of Pell Grant, loan subsidies, and tax benefits under the President's initial proposals and with a tax credit only, both nonrefundable and refundable.

- If a deduction is granted for interest on student loans, target the tax benefit on borrowers whose interest payments exceed a certain percentage of their income.

- While efforts to encourage more savings are laudable and important, provisions which reduce the burden of current tuition expenses either through a tax credit or a deduction could reduce overall incentives to save for future college expenses.

- None of the savings proposals currently under active consideration are likely to significantly increase savings for college.

  - The use of existing IRAs--without penalty--to meet college expenses could lead to reducing overall savings as well as depriving individuals of much needed assets for their retirement.

  - Further extending tax benefits for state prepaid tuition plans could lead to higher tuitions in the future and provide disproportionate benefits to high-income families who can afford to invest in such plans.

- Possibly the most important step policymakers could take to encourage more savings for college would be to remove or lessen the disincentives which currently exist in calculating family contributions in student aid formulas. At a minimum, the formulas should treat students' assets similarly to the treatment accorded to parental assets.

Background

It was the consensus of the group that early childhood, elementary, and secondary education, rather than post-secondary education are the areas most in need of additional investment. The group also would prefer that any new federal resources for higher education focus on existing student aid programs rather than on new tax policies. Given the parameters of the current debate, however, the group limited its discussion to tax initiatives for post-secondary education.

The federal government currently spends about $12 billion a year on student aid programs through its grant, loan, and work-study programs and provides about $4 billion a year in tax expenditures for post-secondary students and institutions. The goals of the student aid programs have been to stimulate greater access, allow increased choice, and improve retention in post-secondary education and training, particularly for low and moderate income students. The group agreed that these were the appropriate objectives, as well, for any tax-based proposals. In addition, the group identified two other criteria that it thought should guide the formulation of any new tax-based education policies.

- *First, any new tax provisions for education should be relatively easy for the IRS to administer and enforce and should not impose undue burdens on students, their families, or post-secondary institutions..*

- *Second, the cumulative effect of federal student aid spending and tax benefits for post-secondary education should be distributed in a progressive fashion, a condition which some of the current proposals do not meet.*

Both of these criteria require a much greater degree of coordination between student aid programs and tax policies than has historically been the case.

In theory, the group felt it would be desirable to use federal post-secondary assistance to encourage higher quality and better performance throughout the educational system. Some supported the President's effort to use the tax code to accomplish these goals, although they would have focused on a student's academic performance in high school rather than in college. Others felt that the administrative difficulties entailed in monitoring educational performance and quality at either educational level outweighed the potential benefits of using the tax code for this purpose. The group agreed, however, that it would be desirable to increase the performance-based component of the student aid programs and any improvement along these lines should be carried over to the tax provisions as well.

The discussion of alternative policies covered three types of tax proposals: 1) tax benefits for current education expenditures, 2) the tax treatment of student loan interest, and 3) tax incentives for savings. The group did not discuss, in any detail, the question of extending employer-paid tax benefits for training or retraining.

Tax Benefits for Current Education Expenditures

The group concluded that there should *not be both* a credit and a deduction for educational expenses. It is both bad tax and bad public policy to give taxpayers a choice of the tax breaks they may take for the same activity. Having both a credit and a deduction would add complexity to the tax code, confuse students and their parents, and encourage even more gaming of dependency status than now occurs.

A majority of the group consider a credit preferable to a deduction, primarily because it would be easier to distribute benefits progressively under a credit than under a deduction. Those who preferred a deduction over a credit argued that a deduction would make the tax treatment of post-secondary tuition expenses more consistent with the tax treatment accorded almost all other human capital expenditures.

The group then discussed the desirable features of a tuition tax credit, including:

Amount of Tuition Covered. The group agreed that there should be a maximum credit which covered a portion of tuition rather than on a dollar-for-dollar basis, as proposed in the President's Hope Scholarship. There was disagreement, however, over what percentage of tuition should be covered by the credit. A credit which covers a high percentage of tuition--say 80 percent--provides a greater degree of access to the lowest priced institutions than would a smaller percentage--say 30 or 40 percent--as long as a limit in the range of $1000 to $2000 is placed on the credit's maximum size. Much larger limits on the amount of the credit would increase the proportion of tax benefits going to students attending higher-priced private institutions. The larger the percentage of tuition covered by the credit, a higher proportion of tax benefits will go to students attending public institutions. But the smaller the percentage of tuition covered by the credit, the more resistance institutions would face if they try to raise tuitions in response to the credit. A smaller percentage of tuition also has the advantage of differentiating more among students who face differing costs of attendance.

Offsets for Grant Aid. The group agreed that when calculating the size of the credit, grant aid should not be offset against the amount of the credit as proposed in the President's Hope Scholarship. At a minimum, a student's Pell Grant should be subtracted from tuition as was proposed in the President's tax deduction to enhance the progressivity of the credit. But benefits would be distributed even more progressively if the tax credit calculation recognized that Pell Grants provide for both tuition and living expenses. This could be done in one of two ways:

- One approach would be to apply the credit percentage to the tuition paid by the student less any grant aid or tuition discount provided by the institution itself or the state.

- A second approach would be to apply the credit percentage against a combination of tuition *plus* a standard amount for living expenses (which is the practice currently used in calculating Pell Grant awards). In other words, Pell grants, other federal aid, state and institutional grants and discounts would be subtracted from a student's total costs of attendance before applying the credit percentage. Under this approach, however, the credit still would be limited to the amount of tuition paid by the student so that no student would be compensated for more than tuition expenses.

Refundability. The group agreed that the most important provision for improving the progressivity of the distribution of tax benefits would be to make the tax credit refundable to students or families who have no tax liability or have liabilities less than the credit. The group recognized, however, that there would be additional administrative complications and potential for abuse if cash payments were made to students or their families. The group, therefore, thought it worthwhile to explore ways in which any refundable portion of the credit could be administered by post-secondary institutions. For example, institutions might make a loan for tuition to such students and this loan would be canceled in the following year when the IRS sent to the school the refundable portion of the credit.

Coverage. It was the consensus of the group that, if the President's tax deduction proposal were dropped, the credit should be available for four years of undergraduate education. A minority of the group felt the credit should be available to less-than-half-time students, particularly full-time workers who are paying tuition for courses that are job- related. This would complement existing provisions for employer-paid tuition benefits. A majority of the group did not think the tax credit should be extended to graduate studies.

Income Limits. The majority of the group believed that the tax credit should have a standard income cutoff which reflects the national distribution of income. Some suggested a level equal to one and one-half times the median income of families with at least one dependent between the ages of 15 and 17, or approximately $70,000.

Maximum Benefit. The group did not directly address the size of the maximum credit, other than to recognize that, like the income phase-out and cutoffs, it would be a function of budgetary constraints.

Tax Treatment of Student Loan Interest

The group recognized that there is considerable interest in Congress and among educational associations to allow student and parent borrowers to deduct interest on college loans from their taxable income, irrespective of whether the taxpayer itemizes deductions. The group did not believe that this would be good public policy. The distribution of benefits from such a provision would be regressive and could encourage an even greater utilization of loans as a means of paying for college expenses, even among those who are fully capable of meeting those costs.

If policymakers feel some tax relief for those with educational loans is necessary, the group thought that relief should be limited to those whose interest burdens were large relative to their incomes. This could be accomplished through a tax credit equal to a portion of the interest payments made on student loans each year that exceeded some percent (for example, 6 percent) of a former student's adjusted gross income for that year. Such a credit would provide benefits largely to those with relatively large loan balances and who earn modest incomes after completing their schooling. The majority of the group felt that this credit should not be available to parents who borrow in the federal loan programs. Of importance also would be the design of the provision so that it does not encourage excessive borrowing.

Incentives for College Savings

The group was critical and unenthusiastic about the many proposals suggested to foster greater savings for college. Encouraging greater private saving for post-secondary education costs and other purposes is important, but the group felt that the primary effect of the current proposals would be to encourage families to shift existing assets into designated educational accounts. Thus, the increase in overall savings would be small relative to the size of the revenue loss to the Treasury.

Moreover, the group emphasized that the adoption of any tax credit or deduction for current educational expenses is likely to reduce the incentive for people to save.

Removing disincentives for savings in the needs analysis system used to establish eligibility for the student aid programs--for example, reducing the current harsh treatment of assets in the student's name by treating parents and student assets the same--would be more effective in encouraging savings for college.

- IRAs--The group was particularly concerned about proposals which would allow families to use existing IRA balances to pay for their children's educational expenses because the overall saving rate, which is already too low, could be further reduced if penalty-free withdrawals for educational purposes were allowed. Some families who are currently saving for their children's educations might save less. Moreover, opening up IRAs for college expenses will deplete parental assets needed for retirement.

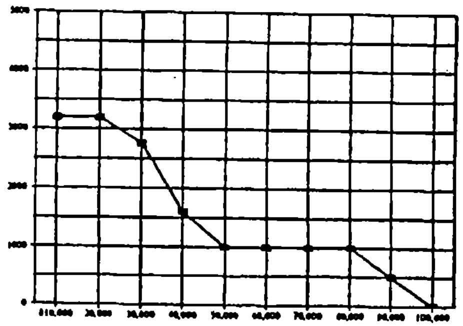
- State Prepaid Tuition Plans--The group was also concerned about growing Congressional interest in conferring tax benefits to state pre-paid tuition plans beyond those provided in the legislation enacted in August 1996. Under many of these plans, the benefits will go largely to upper-middle income families. These are the parents who are likely to have enough discretionary money to invest in such plans when their children are relatively young, so the distribution of benefits of these plans is likely to be quite regressive. Furthermore, many of these plans, which provide assistance only for attendance at the state's institutions, will limit institutional choice--a result which federal policy should not encourage.

  In addition, under some of these plans burdens could be imposed on future generations. If the earnings of pre-paid tuition plans are insufficient to cover the increased costs of higher education, non-plan participants may be faced with even higher tuitions, state taxpayers may be asked to provide state institutions with increased subsidies, or the quality of the education provided by institutions with large numbers of pre-paid students may erode. Considering these potential negative consequences, the group thought that the tax benefits for pre-paid tuition plans enacted in 1996 were probably inappropriate and should not be enhanced.

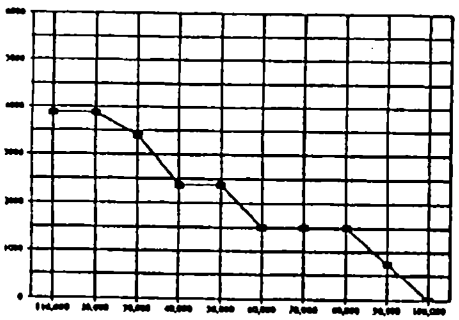
Pell Gra[illegible]oan Subsidies, and Various Tax Plans for Post-Se[illegible]ry Education: Distribution by Family Income, fo[illegible]shmen

Clinton Proposal

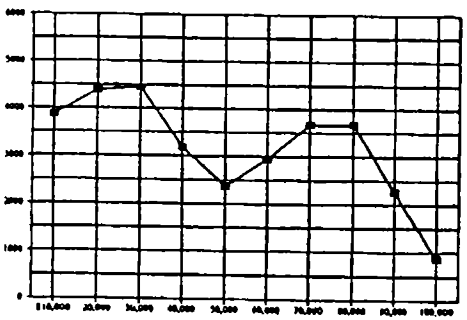
2-Year, Public Institutions



4-Year, Public Institutions



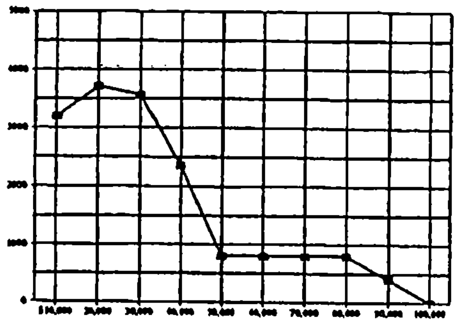
4-Year, Private Institution



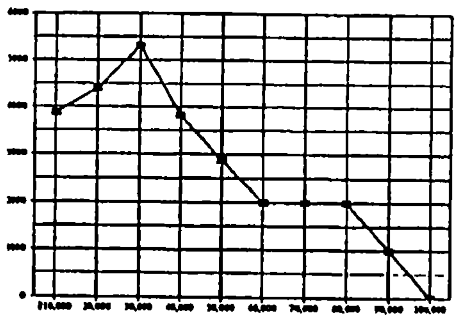
Pell Grant maximum of $3,000
Non-Refundable Tax Credits offset by Pell Grants, or Deductions

Non-Refundable Tuition Credits

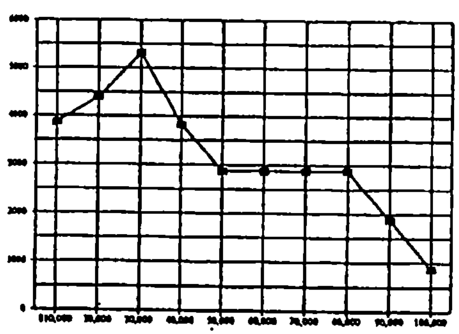
2-Year, Public Institution



4-Year, Public Institutions



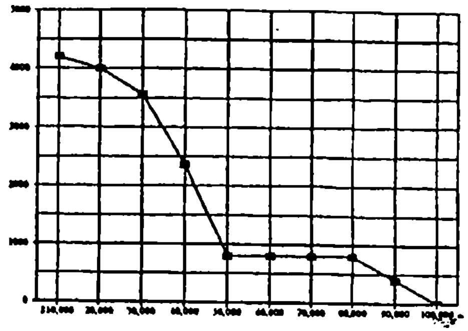
4-Year, Private Institutions



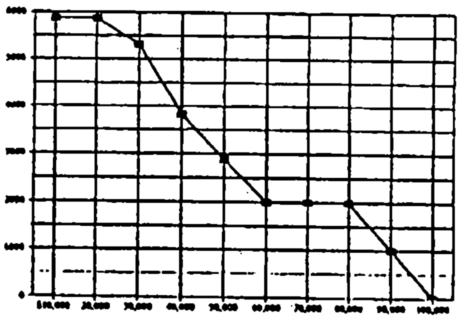
Pell Grant maximum of $3,000
Non-Refundable, 80% Tuition Tax Credits, maximum of $2,000, not offset by Pell Grants

Refundable Tuition Credits

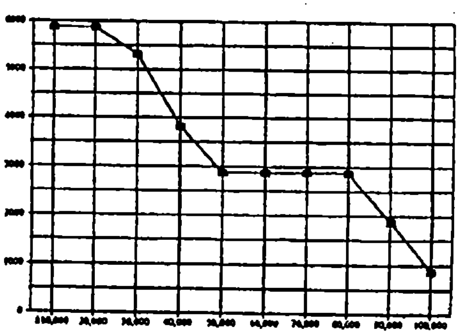
2-Year, Public Institution



4-Year, Public Institutions



4-Year, Private Institutions



Pell Grant maximum of $3,000
Refundable, 80% Tuition Tax Credits, maximum of $2,000, not offset by Pell Grants

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

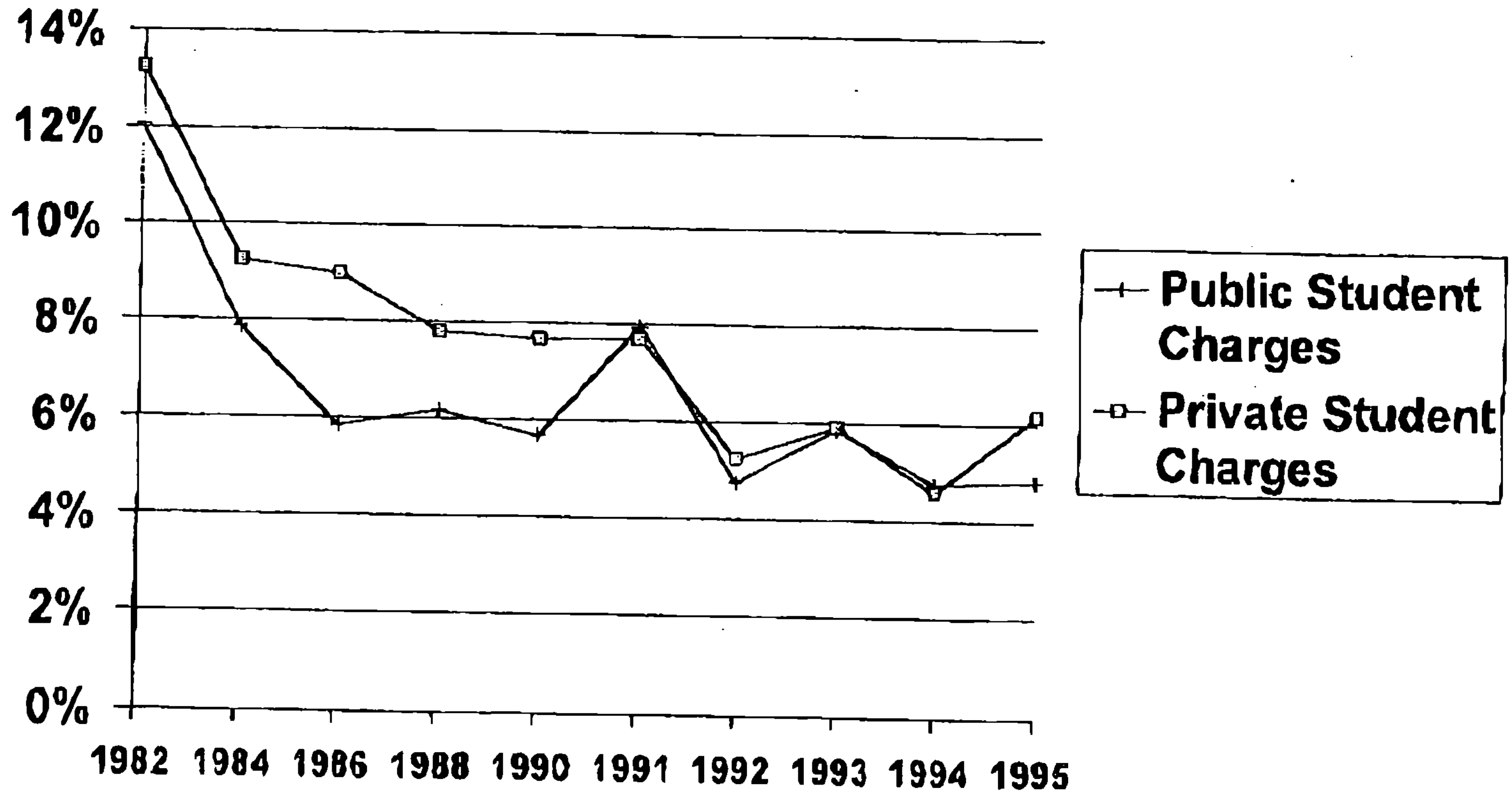
This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: 6

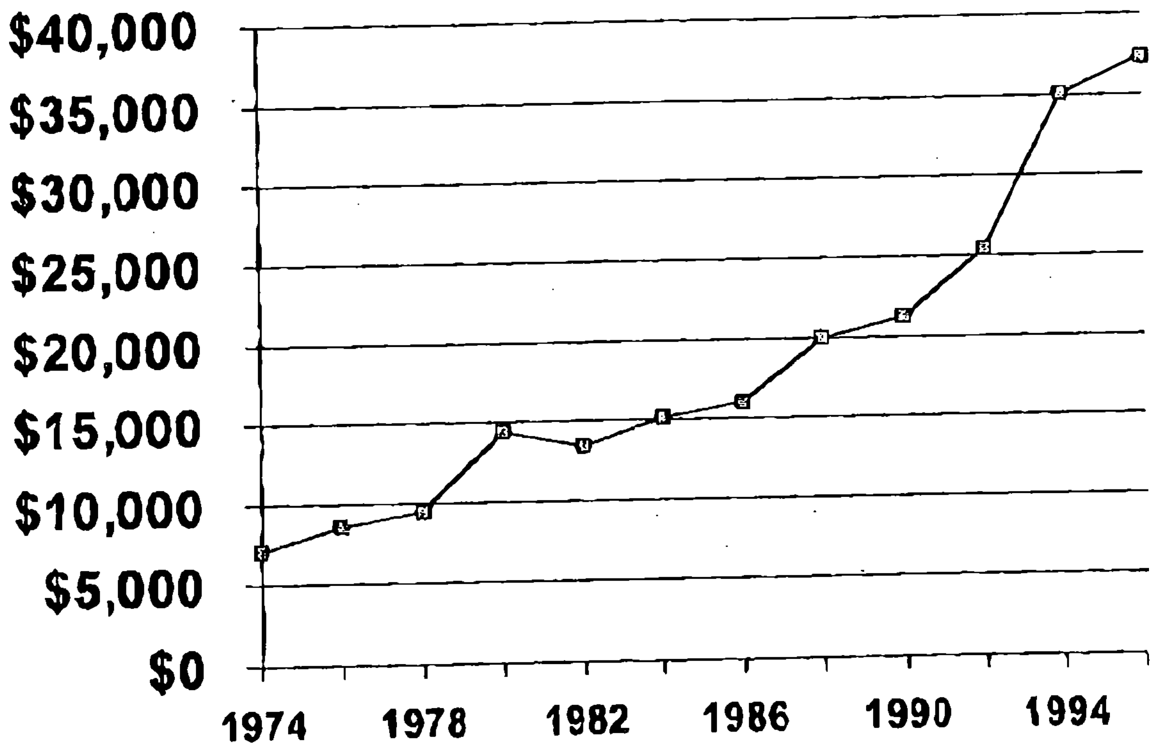
Student Charges Have Increased More When Aid Increased Less

- From 1976 to 1980, total Federal Title IV student aid increased an average of 38 percent per year while student charges increased by an annual average of 9 percent .
- From 1980 to 1990, total Federal student aid increased an average of 7 percent per year while student charges increased by an annual average of 11 percent.
- Since 1990, total Federal student aid increased an average of 15 percent while student charges increased by an annual average of 7 percent.

Percentage Change in Student Charges



Total Federal Aid Awarded to Students
1980 - 1995 (Est)



Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **7**

Estimated 1997-98 Tuition and Fees Required at Public 2-Year Institutions

Percentage of Students Paying

State	Percent with Tuition $1,000 or Less	Percent with Tuition $1,200 or Less	Percent with Tuition $1,400 or Less	Percent with Tuition $1,500 or Less	Percent with Tuition $1,501 or More	
Alabama	45%	49%	66%	80%	20%	
Alaska	0%	0%	0%	0%	100%	
Arizona	100%	100%	100%	100%	0%	
Arkansas	72%	90%	98%	100%	0%	
California	98%	98%	100%	100%	0%	
Colorado	16%	24%	37%	48%	52%	
Connecticut	0%	0%	0%	0%	100%	
Delaware	0%	0%	100%	100%	0%	
Florida	10%	58%	98%	98%	2%	
Georgia	46%	60%	92%	94%	6%	
Hawaii	100%	100%	100%	100%	0%	
Idaho	0%	100%	100%	100%	0%	
Illinois	2%	17%	48%	86%	14%	
Indiana	0%	0%	0%	0%	100%	
Iowa	0%	0%	0%	0%	100%	
Kansas	9%	16%	94%	100%	0%	
Kentucky	12%	85%	90%	90%	10%	
Louisiana	52%	68%	100%	100%	0%	
Maine	0%	0%	0%	0%	100%	
Maryland	0%	0%	0%	0%	100%	
Massachusetts	0%	0%	0%	0%	100%	
Michigan	0%	0%	12%	20%	80%	
Minnesota	0%	0%	0%	0%	100%	
Mississippi	49%	100%	100%	100%	0%	
Missouri	6%	12%	70%	98%	2%	
Montana	0%	0%	44%	60%	40%	
Nebraska	0%	40%	99%	99%	1%	
Nevada	36%	90%	90%	90%	10%	
New Hampshire	0%	0%	0%	0%	100%	
New Jersey	0%	0%	0%	0%	100%	
New Mexico	99%	99%	99%	99%	1%	
New York	0%	0%	0%	0%	100%	
North Carolina	100%	100%	100%	100%	0%	
North Dakota	0%	0%	17%	17%	83%	
Ohio	0%	0%	0%	0%	100%	
Oklahoma	14%	56%	80%	80%	20%	
Oregon	0%	2%	45%	55%	45%	
Pennsylvania	0%	1%	1%	7%	93%	
Rhode Island	0%	0%	0%	0%	100%	
South Carolina	24%	88%	89%	89%	11%	
South Dakota	0%	0%	0%	0%	100%	
Tennessee	10%	100%	100%	100%	0%	
Texas	81%	92%	93%	94%	6%	
Utah	0%	2%	20%	34%	66%	
Vermont	0%	0%	0%	0%	100%	
Virginia	0%	0%	0%	0%	100%	
Washington	2%	2%	8%	60%	40%	
West Virginia	2%	42%	42%	44%	56%	
Wisconsin	0%	0%	0%	0%	100%	
Wyoming	29%	100%	100%	100%	0%	
Percent Total	35%	47%	59%	66%	34%	
Average Tuition	$556	$697	$822	$887	$2,067	
Total Average Tuition						$1,288

Source: IPEDS Institutional Characteristics File, 1995-96

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

Office of the Deputy Assistant Secretary
Policy, Planning, and Innovation

7th and D Streets, SW
Room 4060, ROB-3
Washington, DC 20202-5143
Phone: (202) 205-2987 Fax: (202) 401-5749

Fax Cover Sheet

Number of pages following cover sheet: 1

TO: Bob Shireman **FAX:** 456-2223

FROM:

Maureen A. McLaughlin ✓

Francine Picoult ____

Lynn Mahaffie ____

Sandy Wood ____

Tia Cosey ____

MESSAGE:

FAX COVER

Education Branch
Executive Office of the President
Office of Management and Budget
Washington, D.C. 20503

TO: Bob Shireman

FAX NUMBER: 6-2223

FROM: Arnie

DATE:

TIME:

NUMBER OF PAGES: Cover + 2

Notes:

Education Branch Fax Number: 202/395-4875
Voice Confirmation: 202/395-5880

State	Percentage of students paying: Tuition under $1200	Tuition under $1600	Tuition under $2400	Number of students		Median
AK	0%	100%	100%	2787	$	1,320
AL	81%	98%	100%	264763	$	909
AR	100%	100%	100%	47013	$	840
AZ	100%	100%	100%	268146	$	778
CA	99%	100%	100%	1339929	$	342
CO	40%	93%	100%	154432	$	1,313
CT	0%	100%	100%	64479	$	1,520
DE	0%	100%	100%	15829	$	1,266
FL	91%	100%	100%	669914	$	1,074
GA	88%	96%	99%	140712	$	1,119
HI	100%	100%	100%	35921	$	498
IA	0%	58%	100%	88327	$	1,589
[illegible]	100%	100%	100%	[illegible]	$	[illegible]
IL	54%	100%	100%	686969	$	1,198
IN	0%	0%	100%	75020	$	1,724
KS	97%	100%	100%	163410	$	1,024
KY	91%	91%	100%	75531	$	960
LA	100%	100%	100%	66787	$	720
MA	0%	0%	49%	124832	$	2,430
MD	0%	35%	88%	171581	$	1,876
ME	0%	0%	73%	13927	$	2,181
MI	27%	81%	100%	361633	$	1,410
MN	0%	0%	93%	170998	$	1,878
MO	59%	98%	99%	126718	$	1,200
MS	100%	100%	100%	75612	$	940
MT	6%	77%	100%	10919	$	1,344
NC	100%	100%	100%	275444	$	578
ND	12%	15%	100%	12233	$	1,719
NE	99%	99%	100%	80625	$	1,080
NH	0%	0%	100%	12634	$	2,296
NJ	0%	39%	100%	197869	$	1,716
NM	99%	100%	100%	76464	$	636
NV	100%	100%	100%	60714	$	912
NY	0%	0%	98%	359129	$	2,182
OH	0%	32%	66%	240259	$	2,058
OK	79%	93%	100%	129664	$	1,034
OR	28%	100%	100%	178005	$	1,350
PA	2%	40%	99%	175574	$	1,740
RI	0%	0%	100%	24579	$	1,686
SC	90%	90%	100%	116786	$	990
SD	0%	0%	65%	5130	$	2,358
TN	100%	100%	100%	121655	$	966
TX	97%	100%	100%	707275	$	588
UT	18%	100%	100%	48695	$	1,410
VA	0%	99%	100%	218838	$	1,359
VT	0%	0%	100%	7998	$	2,198
WA	5%	96%	100%	311496	$	1,296
WI	0%	34%	93%	235310	$	1,725
WV	64%	84%	96%	11547	$	1,438
WY	100%	100%	100%	31204	$	868
Total	59%	81%	98%	8876629	$	1,102

Source: IPEDS Institutional Characteristics File, 1994-95

State	Percentage of students paying Tuition under $1200	Tuition under $1600	Tuition under $2400	Number of students	Median
AK	0%	5%	75%	57134	$ 1,856
AL	54%	67%	93%	394581	$ 1,125
AR	40%	40%	100%	116635	$ 1,704
AZ	75%	75%	100%	355430	$ 778
CA	75%	76%	93%	1766972	$ 390
CO	23%	53%	82%	278634	$ 1,541
CT	1%	56%	56%	117550	$ 1,520
DC	100%	100%	100%	28517	$ 1,046
DE	0%	38%	47%	41934	$ 4,100
FL	71%	81%	100%	854595	$ 1,119
GA	41%	47%	100%	302692	$ 1,605
HI	62%	100%	100%	59664	$ 500
IA	[illegible]	[illegible]	[illegible]	[illegible]	$ [illegible]
ID	21%	68%	100%	56996	$ 1,548
IL	43%	80%	84%	857988	$ 1,225
IN	0%	0%	30%	275412	$ 2,558
KS	62%	68%	97%	253599	$ 1,110
KY	38%	38%	89%	178838	$ 1,800
LA	30%	30%	81%	220205	$ 1,968
MA	0%	0%	27%	228442	$ 2,730
MD	1%	23%	55%	280731	$ 2,015
ME	0%	0%	20%	51369	$ 2,940
MI	17%	50%	62%	585760	$ 1,530
MN	0%	0%	56%	300483	$ 2,015
MO	30%	51%	66%	248687	$ 1,836
MS	56%	56%	73%	123847	$ 1,070
MT	2%	20%	100%	42423	$ 2,008
NC	67%	97%	100%	427742	$ 582
ND	3%	4%	76%	44001	$ 1,960
NE	59%	59%	83%	134609	$ 1,110
NH	0%	0%	32%	39342	$ 3,346
NJ	0%	21%	64%	309254	$ 1,952
NM	61%	69%	100%	123270	$ 672
NV	64%	75%	100%	94970	$ 912
NY	1%	1%	51%	702359	$ 2,380
OH	0%	16%	32%	492166	$ 2,910
OK	51%	77%	100%	213828	$ 1,200
OR	21%	75%	75%	236594	$ 1,440
PA	1%	17%	43%	406879	$ 3,685
RI	0%	0%	52%	47033	$ 1,686
SC	54%	54%	60%	193041	$ 1,010
SD	0%	0%	39%	37753	$ 2,534
TN	52%	52%	100%	235602	$ 1,040
TX	62%	84%	98%	1108026	$ 820
UT	6%	43%	100%	131914	$ 1,743
VA	0%	59%	60%	358163	$ 1,389
VT	0%	0%	31%	25597	$ 4,173
WA	4%	74%	84%	401087	$ 1,311
WI	0%	21%	80%	378537	$ 1,808
WV	13%	19%	99%	78000	$ 1,990
WY	74%	74%	100%	41989	$ 880
Total	36%	54%	78%	14567029	

Source: IPEDS Institutional Characteristics File, 1994-95

Table 309.—Average undergraduate tuition and fees and room and board rates paid by students in institutions of higher education, by type and control of institution: 1964–65 to 1995–96

Year and control of institution	Total tuition, room, and board					Tuition and required fees (in-state)					Dormitory rooms					Board (7-day basis)[1]				
	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year
		All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
All institutions																				
1976–77	$2,275	$2,577	$2,647	$2,527	$1,598	$924	$1,218	$1,210	$1,223	$346	$603	$611	$649	$584	$503	$748	$748	$788	$719	$750
1977–78	2,411	2,725	2,777	2,685	1,703	984	1,291	1,269	1,305	378	645	654	691	628	525	781	780	818	752	801
1978–79	2,587	2,917	2,967	2,879	1,828	1,073	1,397	1,370	1,413	411	688	696	737	667	575	826	825	860	800	842
1979–80	2,809	3,167	3,223	3,124	1,979	1,163	1,513	1,484	1,530	451	751	759	803	729	628	895	895	936	865	900
1980–81	3,101	3,499	3,535	3,469	2,230	1,289	1,679	1,634	1,705	526	836	846	881	821	705	976	975	1,020	943	1,000
1981–82	3,489	3,951	4,005	3,908	2,476	1,457	1,907	1,860	1,935	590	950	961	1,023	919	793	1,083	1,082	1,121	1,055	1,094
1982–83	3,877	4,406	4,466	4,356	2,713	1,626	2,139	2,081	2,173	675	1,064	1,078	1,150	1,028	873	1,187	1,189	1,235	1,155	1,165
1983–84	4,167	4,747	4,793	4,712	2,854	1,783	2,344	2,300	2,368	730	1,145	1,162	1,211	1,130	916	1,239	1,212	1,282	1,214	1,208
1984–85	4,563	5,160	5,236	5,107	3,179	1,985	2,567	2,539	2,583	821	1,267	1,282	1,343	1,242	1,058	1,310	1,311	1,353	1,282	1,301
1985–86[2]	4,885	5,504	5,597	5,441	3,367	2,181	2,784	2,770	2,793	888	1,338	1,355	1,424	1,309	1,107	1,365	1,365	1,403	1,339	1,372
1986–87[3]	5,206	5,964	6,124	5,857	3,295	2,312	3,042	3,042	3,042	897	1,405	1,427	1,501	1,376	1,034	1,489	1,495	1,581	1,439	1,364
1987–88	5,494	6,272	6,339	6,226	3,263	2,458	3,201	3,168	3,220	809	1,488	1,516	1,576	1,478	1,017	1,549	1,555	1,596	1,529	1,437
1988–89	5,869	6,725	6,801	6,673	3,573	2,658	3,472	3,422	3,499	979	1,575	1,609	1,665	1,573	1,085	1,636	1,644	1,715	1,601	1,509
1989–90	6,207	7,212	7,347	7,120	3,705	2,839	3,800	3,765	3,819	978	1,638	1,675	1,732	1,638	1,105	1,730	1,737	1,850	1,663	1,622
1990–91	6,562	7,602	7,709	7,528	3,930	3,016	4,009	3,958	4,036	1,087	1,743	1,782	1,848	1,740	1,182	1,802	1,811	1,903	1,751	1,660
1991–92	7,074	8,252	8,389	8,164	4,089	3,282	4,399	4,366	4,417	1,186	1,874	1,921	1,998	1,874	1,210	1,918	1,931	2,026	1,873	1,692
1992–93	7,452	8,758	8,934	8,648	4,207	3,517	4,752	4,665	4,795	1,276	1,939	1,991	2,104	1,926	1,240	1,996	2,015	2,165	1,927	1,692
1993–94	7,931	9,296	9,495	9,186	4,449	3,827	5,119	5,104	5,127	1,399	2,057	2,111	2,190	2,068	1,332	2,047	2,067	2,201	1,992	1,718
1994–95	8,306	9,728	9,863	9,646	4,633	4,044	5,391	5,287	5,441	1,488	2,145	2,200	2,281	2,155	1,396	2,116	2,138	2,295	2,049	1,750
1995–96[4]	8,774	10,315	10,551	10,177	4,730	4,312	5,771	5,725	5,794	1,518	2,263	2,317	2,423	2,259	1,476	2,199	2,226	2,404	2,124	1,735
Public institutions																				
1964–65	950	—	1,051	867	638	243	—	298	224	99	271	—	291	241	178	436	—	462	402	361
1965–66	983	—	1,105	904	670	257	—	327	241	109	281	—	304	255	194	445	—	474	408	367
1966–67	1,026	—	1,171	947	710	275	—	360	259	121	294	—	321	271	213	457	—	490	417	376
1967–68	1,064	—	1,199	997	789	283	—	366	268	144	313	—	337	292	243	468	—	496	437	402
1968–69	1,117	—	1,245	1,063	883	295	—	377	281	170	337	—	359	318	278	485	—	509	464	435
1969–70	1,203	—	1,362	1,135	951	323	—	427	306	178	369	—	395	346	308	511	—	540	483	465
1970–71	1,287	—	1,477	1,206	998	351	—	478	332	187	401	—	431	375	338	535	—	568	499	473
1971–72	1,357	—	1,579	1,263	1,073	376	—	526	354	192	430	—	463	400	366	551	—	590	509	515
1972–73	1,458	—	1,668	1,460	1,197	407	—	566	455	233	476	—	500	455	398	575	—	602	550	566
1973–74	1,517	—	1,707	1,506	1,274	438	—	581	463	274	480	—	505	464	409	599	—	621	579	591
1974–75	1,563	—	1,760	1,558	1,339	432	—	599	448	277	506	—	527	497	424	625	—	634	613	638
1975–76	1,666	—	1,935	1,657	1,386	433	—	642	469	245	544	—	573	533	442	689	—	720	655	699
1976–77	1,789	1,935	2,067	1,827	1,491	479	617	689	564	283	582	592	614	572	465	728	727	763	692	742
1977–78	1,888	2,038	2,170	1,931	1,590	512	655	736	596	306	621	631	649	613	486	755	752	785	720	797
1978–79	1,994	2,145	2,289	2,027	1,691	543	688	777	622	327	655	664	689	641	527	796	793	823	764	837
1979–80	2,165	2,327	2,487	2,198	1,822	583	738	840	662	355	715	725	750	703	574	867	865	898	833	893
1980–81	2,373	2,550	2,712	2,421	2,027	635	804	915	722	391	799	811	827	796	642	940	936	969	904	994
1981–82	2,663	2,871	3,079	2,705	2,224	714	909	1,042	813	434	909	925	970	885	703	1,039	1,036	1,067	1,006	1,086
1982–83	2,945	3,196	3,403	3,032	2,390	798	1,031	1,164	936	473	1,010	1,030	1,072	993	755	1,136	1,134	1,167	1,103	1,162
1983–84	3,156	3,433	3,628	3,285	2,534	891	1,148	1,284	1,052	528	1,087	1,110	1,131	1,092	801	1,178	1,175	1,213	1,141	1,205
1984–85	3,408	3,682	3,899	3,518	2,807	971	1,228	1,386	1,117	584	1,196	1,217	1,237	1,200	921	1,241	1,237	1,276	1,201	1,302
1985–86[2]	3,571	3,859	4,146	3,637	2,981	1,045	1,318	1,536	1,157	641	1,242	1,263	1,290	1,240	960	1,285	1,278	1,320	1,240	1,380
1986–87[3]	3,805	4,138	4,469	3,891	2,989	1,106	1,414	1,651	1,248	660	1,301	1,323	1,355	1,295	979	1,398	1,401	1,464	1,348	1,349
1987–88	4,050	4,403	4,619	4,250	3,066	1,218	1,537	1,726	1,407	706	1,378	1,410	1,410	1,409	943	1,454	1,456	1,482	1,434	1,417
1988–89	4,274	4,678	4,905	4,526	3,183	1,285	1,646	1,846	1,515	730	1,457	1,496	1,483	1,506	965	1,533	1,536	1,576	1,504	1,488
1989–90	4,504	4,975	5,324	4,723	3,299	1,356	1,780	2,035	1,608	755	1,513	1,557	1,561	1,554	962	1,635	1,638	1,728	1,561	1,581
1990–91	4,757	5,243	5,585	5,004	3,467	1,454	1,888	2,159	1,707	824	1,612	1,657	1,658	1,655	1,050	1,691	1,698	1,767	1,641	1,594
1991–92	5,135	5,695	6,051	5,459	3,623	1,624	2,119	2,410	1,933	937	1,731	1,785	1,789	1,782	1,074	1,780	1,792	1,852	1,745	1,612

Table 309.—Average undergraduate tuition and fees and room and board rates paid by students in institutions of higher education, by type and control of institution: 1964–65 to 1995–96—Continued

Year and control of institution	Total tuition, room, and board					Tuition and required fees (in-state)					Dormitory rooms					Board (7-day basis)[1]				
	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year
		All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1992–93	5,379	6,020	6,442	5,740	3,799	1,782	2,349	2,604	2,192	1,025	1,756	1,816	1,856	1,787	1,106	1,841	1,854	1,982	1,761	1,668
1993–94	5,694	6,365	6,710	6,146	3,996	1,942	2,537	2,820	2,360	1,125	1,873	1,934	1,897	1,958	1,190	1,880	1,895	1,993	1,828	1,681
1994–95	5,965	6,670	7,077	6,409	4,137	2,057	2,681	2,977	2,499	1,192	1,959	2,023	1,992	2,044	1,232	1,949	1,967	2,108	1,866	1,712
1995–96[4]	6,252	7,013	7,451	6,727	4,236	2,176	2,848	3,151	2,661	1,245	2,057	2,121	2,107	2,130	1,303	2,019	2,045	2,193	1,936	1,688
Private institutions																				
1964–65	1,907	—	2,202	1,810	1,455	1,088	—	1,297	1,023	702	331	—	390	308	289	488	—	515	479	464
1965–66	2,005	—	2,316	1,899	1,557	1,154	—	1,369	1,086	768	356	—	418	330	316	495	—	529	483	473
1966–67	2,124	—	2,456	2,007	1,679	1,233	—	1,456	1,162	845	385	—	452	355	347	506	—	548	490	487
1967–68	2,205	—	2,545	2,104	1,762	1,297	—	1,534	1,237	892	392	—	455	366	366	516	—	556	501	504
1968–69	2,321	—	2,673	2,237	1,876	1,383	—	1,638	1,335	956	404	—	463	382	391	534	—	572	520	529
1969–70	2,530	—	2,920	2,420	1,993	1,533	—	1,809	1,468	1,034	436	—	503	409	413	561	—	608	543	546
1970–71	2,738	—	3,163	2,599	2,103	1,684	—	1,980	1,603	1,109	468	—	542	434	434	586	—	641	562	560
1971–72	2,917	—	3,375	2,748	2,186	1,820	—	2,133	1,721	1,172	494	—	576	454	449	603	—	666	573	565
1972–73	3,038	—	3,512	2,934	2,273	1,898	—	2,226	1,846	1,221	524	—	622	490	457	616	—	664	598	595
1973–74	3,164	—	3,717	3,040	2,410	1,989	—	2,375	1,925	1,303	533	—	622	502	483	642	—	720	613	624
1974–75	3,403	—	4,076	3,156	2,591	2,117	—	2,614	1,954	1,367	586	—	691	536	564	700	—	771	666	660
1975–76	3,663	—	4,467	3,385	2,711	2,272	—	2,881	2,084	1,427	636	—	753	583	572	755	—	833	718	712
1976–77	3,906	3,977	4,715	3,714	2,971	2,467	2,534	3,051	2,351	1,592	649	651	783	604	607	790	791	882	759	772
1977–78	4,158	4,240	5,033	3,967	3,148	2,624	2,700	3,240	2,520	1,706	698	702	850	648	631	836	838	943	800	811
1978–79	4,514	4,609	5,403	4,327	3,389	2,867	2,958	3,487	2,771	1,831	758	761	916	704	700	889	890	1,000	851	858
1979–80	4,912	5,013	5,891	4,700	3,751	3,130	3,225	3,811	3,020	2,062	827	831	1,001	768	766	955	957	1,078	912	923
1980–81	5,470	5,594	6,569	5,249	4,303	3,498	3,617	4,275	3,390	2,413	918	921	1,086	859	871	1,054	1,056	1,209	1,000	1,019
1981–82	6,166	6,330	7,443	5,947	4,746	3,953	4,113	4,887	3,853	2,605	1,038	1,039	1,229	970	1,022	1,175	1,178	1,327	1,124	1,119
1982–83	6,920	7,126	8,536	6,646	5,364	4,439	4,639	5,583	4,329	3,008	1,181	1,181	1,453	1,083	1,177	1,300	1,306	1,501	1,234	1,179
1983–84	7,508	7,759	9,308	7,244	5,571	4,851	5,093	6,217	4,726	3,099	1,278	1,279	1,531	1,191	1,253	1,380	1,387	1,559	1,327	1,219
1984–85	8,202	8,451	10,243	7,849	6,203	5,315	5,556	6,843	5,135	3,485	1,426	1,426	1,753	1,309	1,424	1,462	1,469	1,647	1,405	1,294
1985–86[2]	8,885	9,228	11,034	8,551	6,512	5,789	6,121	7,374	5,641	3,672	1,553	1,557	1,940	1,420	1,500	1,542	1,551	1,720	1,490	1,340
1986–87[3]	9,676	10,039	12,278	9,276	6,384	6,316	6,658	8,118	6,171	3,684	1,658	1,673	2,097	1,518	1,266	1,702	1,708	2,063	1,587	1,434
1987–88	10,512	10,659	13,075	9,854	7,078	6,988	7,116	8,771	6,574	4,161	1,748	1,760	2,244	1,593	1,380	1,775	1,783	2,060	1,687	1,537
1988–89	11,189	11,474	14,073	10,620	7,967	7,461	7,722	9,451	7,172	4,817	1,849	1,863	2,353	1,686	1,540	1,880	1,889	2,269	1,762	1,609
1989–90	12,018	12,284	15,098	11,374	8,670	8,147	8,396	10,348	7,778	5,196	1,923	1,935	2,411	1,774	1,663	1,948	1,953	2,339	1,823	1,811
1990–91	12,910	13,237	16,503	12,220	9,302	8,772	9,083	11,379	8,389	5,570	2,063	2,077	2,654	1,889	1,744	2,074	2,077	2,470	1,943	1,989
1991–92	13,907	14,273	17,779	13,189	9,631	9,434	9,775	12,192	9,053	5,752	2,221	2,241	2,860	2,038	1,789	2,252	2,257	2,727	2,098	2,090
1992–93	14,634	15,009	18,898	13,882	9,903	9,942	10,294	13,055	9,533	6,059	2,348	2,362	3,018	2,151	1,970	2,344	2,354	2,825	2,197	1,875
1993–94	15,496	15,904	20,097	14,640	10,406	10,572	10,052	13,874	10,100	6,370	2,490	2,506	3,277	2,261	2,067	2,434	2,445	2,946	2,278	1,970
1994–95	16,207	16,602	21,041	15,363	11,170	11,111	11,481	14,537	10,653	6,914	2,587	2,601	3,469	2,347	2,233	2,509	2,520	3,035	2,362	2,023
1995–96[4]	17,207	17,613	22,470	16,203	11,502	11,858	12,239	15,581	11,294	7,039	2,739	2,753	3,672	2,475	2,363	2,610	2,622	3,216	2,434	2,100

[1] Data for 1986–87 and later years reflect 20 meals per week rather than meals 7 days per week.
[2] Room and board data are estimated.
[3] Because of revisions in data collection procedures, figures are not entirely comparable with those for previous years. In particular, data on board rates are somewhat higher than earlier years because they reflect a basis of 20 meals per week rather than meals served 7 days per week. Since many institutions serve fewer than 3 meals each day, the 1986–87 and later data reflect a more accurate accounting of total board costs. Because of their low response rate, data for private 2-year colleges must be interpreted with caution.
[4] Preliminary data based on fall 1994 enrollment weights.
—Data not available.

NOTE.—Data are for the entire academic year and are average charges paid by students. Tuition and fees were weighted by the number of full-time-equivalent undergraduates but were not adjusted to reflect student residency. Room and board were based on full-time students. The data have not been adjusted for changes in the purchasing power of the dollar. Some data have been revised from previously published figures. Because of rounding, details may not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Institutional Characteristics of Colleges and Universities" and "Fall Enrollment in Institutions of Higher Education" surveys; Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment" and "Institutional Characteristics" surveys. (This table was prepared September 1996.)

[illegible] 96-97

Wase

Ohio

Ill.

Cal. 1770

Mich

Table 310.—Average undergraduate tuition and fees and room and board rates paid by students in institutions of higher education, by control of institution and by state: 1994–95 and 1995–96

State or other area	Public 4-year, 1994–95		Public 4-year, 1995–96 [1]				Private 4-year, 1994–95		Private 4-year, 1995–96 [1]				Public 2-year, tuition only (in-state)	
	Total	Tuition (in-state)	Total	Tuition (in-state)	Room	Board	Total	Tuition	Total	Tuition (in-state)	Room	Board	1994–95	1995–96 [1]
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
United States	**$6,670**	**$2,681**	**$7,013**	**$2,848**	**$2,121**	**$2,045**	**$16,602**	**$11,481**	**$17,613**	**$12,239**	**$2,753**	**$2,622**	**$1,192**	**$1,245**
Alabama	5,429	2,107	5,737	2,240	1,757	1,739	11,208	7,318	11,635	7,580	1,799	2,256	1,132	1,317
Alaska	6,153	2,039	6,665	2,489	2,238	1,937	12,849	8,302	12,917	8,293	1,879	2,745	1,320	2,120
Arizona	5,825	1,894	5,998	1,926	2,257	1,815	10,358	6,225	10,934	6,779	2,012	2,143	735	764
Arkansas	4,912	1,954	5,064	2,028	1,613	1,423	9,615	6,197	10,183	6,574	1,488	2,121	884	903
California	7,924	2,696	8,213	2,666	3,031	2,516	17,696	11,847	20,143	13,977	3,196	2,970	365	362
Colorado	6,524	2,380	7,037	2,473	2,000	2,564	16,262	11,060	17,120	11,796	2,574	2,750	1,282	1,340
Connecticut	8,491	3,737	8,753	3,845	2,609	2,299	21,739	15,521	23,011	16,646	3,621	2,744	1,520	1,646
Delaware	8,118	3,805	8,489	3,981	2,407	2,101	11,349	7,159	11,518	7,373	2,701	1,443	1,266	1,266
District of Columbia	—	1,046	—	1,118	—	—	20,311	14,021	21,337	14,681	3,917	2,740	—	—
Florida	6,201	1,783	6,254	1,767	2,193	2,295	14,329	9,785	15,028	10,364	2,428	2,236	1,113	1,103
Georgia	5,382	1,964	5,691	2,103	1,712	1,877	14,329	9,562	15,194	10,208	2,719	2,267	1,023	1,062
Hawaii	—	1,504	—	1,576	—	—	11,020	5,971	11,632	6,234	3,050	2,347	500	524
Idaho	5,203	1,581	5,321	1,682	1,541	2,098	14,451	11,130	15,307	11,843	1,430	2,035	991	991
Illinois	7,498	3,195	7,829	3,352	2,072	2,405	16,009	11,078	16,678	11,653	2,718	2,306	1,193	1,232
Indiana	6,920	2,862	7,392	3,037	1,931	2,425	15,920	11,842	16,829	12,592	1,987	2,250	1,848	1,937
Iowa	5,701	2,462	5,945	2,565	1,693	1,688	15,184	11,349	15,934	11,932	1,864	2,138	1,700	1,782
Kansas	5,441	2,019	5,691	2,120	1,731	1,841	11,698	8,063	12,400	8,634	1,582	2,183	1,051	1,147
Kentucky	5,327	2,057	5,455	2,161	1,527	1,767	10,679	7,046	11,192	7,497	1,711	1,985	1,088	1,112
Louisiana	5,268	2,212	5,491	2,221	1,464	1,806	16,748	11,768	17,796	12,449	2,906	2,440	1,023	1,031
Maine	7,763	3,303	7,966	3,474	2,235	2,257	20,520	15,058	21,872	16,204	2,758	2,910	2,151	2,381
Maryland	8,300	3,321	8,728	3,572	2,722	2,435	20,120	13,805	21,245	14,700	3,524	3,022	1,843	1,967
Massachusetts	8,562	4,148	8,757	4,253	2,462	2,042	22,330	15,689	23,335	16,403	3,688	3,244	2,437	2,359
Michigan	7,948	3,733	8,195	3,895	2,024	2,276	12,849	8,771	13,331	9,176	1,974	2,182	1,436	1,529
Minnesota	6,203	2,931	6,712	3,216	2,022	1,474	16,339	12,233	17,222	12,897	2,058	2,267	1,965	2,065
Mississippi	5,250	2,446	5,425	2,459	1,399	1,568	9,312	6,384	9,901	6,782	1,582	1,536	938	941
Missouri	6,347	2,797	6,750	3,015	2,022	1,713	14,057	9,577	14,116	9,566	2,162	2,387	1,204	1,255
Montana	6,004	2,109	7,754	2,367	1,778	3,609	10,438	6,999	11,062	7,545	1,388	2,128	1,376	1,382
Nebraska	5,187	2,058	5,497	2,182	1,422	1,892	12,541	8,861	13,234	9,430	1,801	2,003	1,102	1,132
Nevada	6,905	1,601	7,388	1,684	3,090	2,614	—	7,532	—	7,841	3,050	—	843	970
New Hampshire	8,181	4,039	8,729	4,446	2,573	1,710	17,180	12,148	21,071	15,038	3,024	3,009	2,316	2,420
New Jersey	8,727	3,776	9,125	3,972	3,101	2,052	18,949	12,928	19,751	13,566	3,226	2,959	1,754	1,878
New Mexico	5,365	1,836	5,298	1,940	1,504	1,854	13,489	9,104	14,355	9,784	2,289	2,282	675	690
New York	7,926	2,944	8,960	3,714	2,937	2,310	19,663	13,069	20,831	13,852	3,724	3,255	2,151	2,427
North Carolina	4,857	1,502	5,119	1,639	1,742	1,737	14,658	10,493	15,428	10,984	2,128	2,316	582	581
North Dakota	5,514	2,248	5,642	2,248	1,016	2,378	9,520	6,663	9,907	6,998	1,260	1,649	1,689	1,698
Ohio	7,732	3,403	8,169	3,603	2,386	2,181	16,282	11,735	17,139	12,377	2,349	2,414	2,166	2,261
Oklahoma	4,196	1,672	4,287	1,839	837	1,611	11,562	7,781	11,773	7,831	1,803	2,140	1,149	1,260
Oregon	6,930	3,064	7,354	3,233	1,647	2,474	17,592	12,971	18,899	13,892	2,257	2,750	1,322	1,338
Pennsylvania	8,672	4,517	9,124	4,723	2,227	2,174	18,979	13,418	19,876	14,111	2,943	2,822	1,755	1,909
Rhode Island	9,067	3,706	9,446	3,856	3,029	2,561	20,957	14,604	22,075	15,390	3,613	3,072	1,686	1,726
South Carolina	6,756	3,020	6,964	3,094	1,998	1,872	12,651	9,073	13,517	9,741	1,786	1,990	1,048	1,071
South Dakota	5,271	2,509	5,619	2,642	1,247	1,730	12,352	8,536	13,039	9,123	1,541	2,374	3,430	3,430
Tennessee	5,131	1,897	5,372	1,990	1,644	1,737	13,235	9,257	14,068	9,830	2,153	2,085	976	1,022
Texas	5,177	1,606	5,464	1,820	1,885	1,759	12,390	8,386	13,156	8,959	2,000	2,198	689	771
Utah	5,334	1,943	5,414	2,011	1,458	1,945	7,060	2,761	7,384	2,936	1,380	3,068	1,340	1,375
Vermont	10,327	5,682	10,640	5,898	3,072	1,670	20,596	14,960	21,612	15,670	3,375	2,567	2,196	2,370
Virginia	7,958	3,776	8,202	3,907	2,261	2,033	14,166	9,943	15,021	10,596	2,062	2,363	1,384	1,433
Washington	7,068	2,685	7,136	2,791	2,187	2,158	16,988	12,408	18,092	13,276	2,487	2,329	1,313	1,369
West Virginia	5,912	1,961	6,128	2,024	1,970	2,133	13,354	9,460	14,231	10,008	1,853	2,370	1,303	1,312
Wisconsin	5,613	2,468	5,847	2,614	1,706	1,527	14,693	10,761	15,652	11,569	1,812	2,271	1,682	1,840
Wyoming	5,237	1,908	5,429	2,005	1,512	1,912	—	—	—	—	—	—	892	948

[1] Preliminary data based on fall 1994 enrollments.
—Data not reported or not applicable.

NOTE.—Data are for the entire academic year and are average charges. Tuition and fees were weighted by the number of full-time-equivalent undergraduates in 1994, but are not adjusted to reflect student residency. Room and board are based on full-time students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment" and "Institutional Characteristics" surveys. (This table was prepared September 1996.)

Table 311.—Average graduate and first-professional tuition paid by students in institutions of higher education: 1987–88 to 1995–96

Year	Average full-time graduate tuition	Average full-time first-professional tuition									
		Chiropractic	Dentistry	Medicine	Optometry	Osteopathic medicine	Pharmacy	Podiatry	Veterinary medicine	Law	Theology
1	2	3	4	5	6	7	8	9	10	11	12
All institutions											
1987–88	$3,599	$6,996	$9,399	$9,034	$7,926	$10,674	$5,201	$12,736	$4,503	$6,636	$3,572
1988–89	3,728	7,972	9,324	9,439	8,503	11,462	4,952	13,232	4,856	7,099	3,911
1989–90	4,135	8,315	10,515	10,597	9,469	11,888	5,890	14,611	5,470	8,059	4,079
1990–91	4,488	9,108	10,270	10,571	9,512	12,830	5,889	15,143	5,396	8,708	4,569
1991–92	5,116	10,226	12,049	11,646	9,610	13,004	6,731	16,257	6,367	9,469	4,876
1992–93	5,475	11,117	12,710	12,265	10,858	14,297	6,635	17,426	6,771	10,463	5,331
1993–94	5,973	11,503	14,403	13,074	10,385	15,038	7,960	17,621	7,159	11,552	5,253
1994–95 [1]	6,247	12,391	15,059	13,808	10,800	15,688	8,432	18,252	7,708	12,386	5,593
1995–96 [2]	6,732	12,559	16,053	14,619	11,522	16,607	9,001	18,552	8,132	13,237	5,956
Public [3]											
1987–88	1,827	—	4,614	5,245	2,789	5,125	2,462	—	3,523	2,810	—
1988–89	1,913	—	5,286	5,669	3,455	6,269	2,218	—	3,889	2,766	—
1989–90	1,999	—	5,728	6,259	3,569	6,521	2,816	—	4,505	3,196	—
1990–91	2,206	—	5,927	6,437	3,821	7,188	2,697	—	4,840	3,430	—
1991–92	2,524	—	6,595	7,106	4,161	7,699	2,871	—	5,231	3,933	—
1992–93	2,791	—	7,006	7,867	5,106	8,404	2,987	—	5,553	4,261	—
1993–94	3,050	—	7,525	8,329	5,325	8,640	3,567	—	6,107	4,835	—
1994–95 [1]	3,250	—	7,985	8,807	5,676	9,123	3,787	—	6,638	5,300	—
1995–96 [2]	3,459	—	8,602	9,518	6,266	9,498	4,151	—	7,030	5,813	—
Private											
1987–88	6,769	6,996	16,201	14,945	11,635	13,311	8,834	12,736	12,544	9,048	3,572
1988–89	6,945	7,972	16,127	15,610	12,050	13,536	9,692	13,232	13,285	9,892	3,911
1989–90	7,881	8,315	16,800	16,826	13,640	14,117	10,656	14,611	14,184	10,901	4,079
1990–91	8,507	9,108	18,270	17,899	13,767	15,009	11,546	15,143	14,159	12,247	4,569
1991–92	9,592	10,226	20,318	19,225	14,366	16,098	12,937	16,257	15,816	12,946	4,876
1992–93	10,008	11,117	21,309	19,585	14,459	17,098	13,373	17,426	17,103	13,975	5,331
1993–94	10,790	11,503	23,824	20,769	14,156	17,720	14,838	17,621	17,433	15,193	5,253
1994–95 [1]	11,338	12,391	24,749	21,820	14,619	18,440	15,705	18,252	18,163	16,227	5,593
1995–96 [2]	12,170	12,559	26,260	22,958	15,438	19,586	16,595	18,552	18,900	17,260	5,956

[1] Preliminary first-professional figures based on 1993–94 graduates.
[2] Preliminary graduate figures based on fall 1994 data and first-professional figures based on 1993–94 graduates.
[3] Data are based on in-state tuition only.
—Data not available or not applicable.

NOTE.—Average graduate student tuition weighted by fall full-time-equivalent graduate enrollment. Average first-professional tuition weighted by number of degrees conferred during the academic year. Some year-to-year fluctuations in tuition data may reflect nonreporting by individual institutions. Excludes institutions not reporting degrees conferred and institutions reporting no tuition. Some data have been revised from previously published figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), "Institutional Characteristics," "Fall Enrollment," and "Degrees Conferred" surveys. (This table was prepared September 1996.)

Table 312.—Percent of undergraduates enrolled in fall 1992 receiving aid and average amount awarded in 1992–93 per student, by type and source of aid and selected student characteristics

Selected student characteristics	Enrollment of undergraduates,[1] in thousands	Any aid			Grants			Loans			Work study	Other		
		Total[2]	Federal	Non-federal	Total	Federal	Non-federal	Total	Federal	Non-federal	Total[3]	Total	Federal	Non-federal
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Percent of all undergraduates receiving aid												
All undergraduates	**18,478**	**41.4**	**32.1**	**23.6**	**36.6**	**22.6**	**20.9**	**20.4**	**19.9**	**1.4**	**4.8**	**5.8**	**2.7**	**3.3**
Sex														
Men	8,166	39.1	29.5	23.3	31.8	19.2	20.6	19.7	19.1	1.5	4.6	6.9	2.9	4.2
Women	10,188	42.9	33.7	23.7	36.6	25.0	21.1	20.7	20.1	1.4	5.0	4.9	2.6	2.5
Race/ethnicity														
White, non-Hispanic	13,818	39.3	29.2	23.3	32.1	19.2	20.8	20.0	19.4	1.4	4.5	5.6	2.7	3.1
Black, non-Hispanic	1,847	54.1	47.6	24.7	47.2	38.2	20.9	26.8	26.4	1.3	6.8	8.2	3.9	4.7
Hispanic	1,432	43.0	36.3	21.5	38.8	30.7	19.1	15.2	14.5	1.2	4.0	4.9	1.6	3.4
Asian American	718	30.8	25.1	20.1	26.8	18.7	18.2	15.3	15.0	0.9	5.8	2.7	1.1	1.7
American Indian	172	47.8	35.2	28.7	42.6	29.2	25.1	15.4	15.0	0.9	4.4	8.4	1.6	6.7
Age														
23 years old or younger	10,163	45.6	35.5	27.3	37.4	23.1	24.3	24.8	24.0	2.0	7.0	7.3	4.6	2.9
24 to 29 years old	3,159	41.2	35.3	18.7	35.1	27.3	16.5	19.9	19.7	0.7	2.8	5.0	0.5	4.6
30 years old or over	5,116	33.3	23.5	19.1	28.8	18.5	16.9	12.1	11.9	0.7	1.7	3.5	0.3	3.2
Marital status														
Married	4,481	32.4	22.9	17.8	26.8	16.1	15.9	13.3	13.0	0.7	1.5	3.6	0.4	3.3
Not married[4]	12,744	44.5	35.5	25.8	37.1	24.6	22.9	23.4	22.8	1.7	6.1	6.6	3.6	3.2
Separated	322	61.6	56.1	27.8	59.2	52.5	22.9	23.1	23.0	0.7	4.7	5.7	0.2	5.5
Attendance status[5]														
Full-time	6,000	57.9	45.6	37.9	48.1	29.4	34.0	33.6	32.7	2.7	10.2	9.5	5.2	4.6
Part-time	12,293	32.9	25.0	16.5	27.7	18.8	14.5	13.6	13.2	0.8	2.1	4.0	1.4	2.7
Dependency status														
Dependent	8,858	41.7	31.2	26.7	33.5	18.6	23.8	23.0	22.2	2.1	7.1	7.1	5.0	2.3
Independent	9,620	41.2	33.0	20.7	35.7	26.3	18.2	18.0	17.8	0.8	2.7	4.7	0.6	4.2
Housing status														
School-owned	2,369	63.0	47.7	46.0	52.5	26.7	41.6	40.7	39.4	3.5	17.5	12.0	8.3	4.2
Off-campus, not with parents	10,163	39.8	30.6	21.4	33.0	22.1	18.8	18.9	18.6	1.2	3.2	5.1	1.7	3.5
With parents	4,793	35.0	28.1	17.8	29.7	21.4	15.8	14.2	13.7	1.1	2.3	4.5	2.3	2.3
With relatives	406	36.7	30.6	16.9	32.3	24.9	14.3	16.0	15.6	1.0	2.9	4.4	1.6	2.9
[illegible]	38	40.9	28.6	26.4	38.2	24.1	26.3	8.4	7.9	0.4	2.2	1.5	1.3	0.2
		Average 1992–93 award for full-time, full-year undergraduates enrolled in fall 1992 (Award averages are computed for students participating in the designated program.)												
All full-time, full-year undergraduates	**6,000**	**$5,543**	**$4,257**	**$3,347**	**$3,487**	**$2,003**	**$3,201**	**$3,834**	**$3,723**	**$2,639**	**$1,357**	**$2,932**	**$3,340**	**$2,289**
Sex														
Men	2,838	5,759	4,407	3,499	3,616	1,990	3,372	3,944	3,839	2,626	1,372	3,061	3,452	2,539
Women	3,145	5,370	4,137	3,226	3,391	2,016	3,064	3,740	3,625	2,656	1,348	2,793	3,238	1,951
Race/ethnicity														
White, non-Hispanic	4,542	5,495	4,297	3,312	3,438	1,955	3,154	3,879	3,761	2,671	1,362	2,978	3,407	2,304
Black, non-Hispanic	553	5,738	4,329	3,439	3,424	2,094	3,411	3,619	3,538	2,359	1,324	2,809	3,061	2,174
Hispanic	384	4,960	3,666	2,843	3,302	2,079	2,659	3,655	3,597	—	1,301	2,587	3,294	2,090
Asian American	268	6,454	4,111	4,127	4,569	2,067	4,073	3,827	3,667	—	1,542	3,078	—	—
American Indian	48	5,072	4,047	2,752	3,181	2,231	2,368	3,568	3,475	—	—	2,800	—	—
Age														
23 years old or younger	4,785	5,622	4,147	3,629	3,697	1,947	3,470	3,722	3,588	2,744	1,323	3,205	3,379	2,568
24 to 29 years old	606	5,528	4,710	2,337	2,944	2,125	2,191	4,269	4,216	1,976	1,495	2,223	3,029	2,120
30 years old or over	605	5,062	4,383	2,035	2,718	2,107	1,820	4,091	4,050	2,100	1,674	1,802	—	1,712
Marital status														
Married	608	4,872	4,355	2,106	2,537	1,965	1,905	3,797	3,676	2,650	1,341	3,011	3,362	2,294
Not married[4]	4,917	5,706	4,254	3,479	3,631	2,004	3,328	4,147	4,114	2,046	1,409	2,215	—	2,156
Separated	63	4,914	3,981	1,978	2,858	2,275	1,711	3,678	3,548	—	—	—	—	—
Dependency status														
Dependent	4,334	5,676	4,094	3,766	3,819	1,874	3,611	3,716	3,570	2,753	1,319	3,289	3,389	2,658
Independent	1,666	5,298	4,495	2,287	2,906	2,130	2,107	4,046	3,994	2,231	1,491	2,165	2,879	1,999
Housing status														
School-owned	1,643	7,103	4,631	4,723	4,822	2,093	4,540	3,732	3,581	2,906	1,275	3,395	3,412	2,930
Off-campus, not with parents	2,717	5,194	4,413	2,613	2,961	2,035	2,437	3,998	3,902	2,558	1,458	2,689	3,283	2,173
With parents	1,549	4,044	3,369	2,363	2,681	1,836	2,265	3,525	3,455	2,152	1,406	2,640	3,272	1,788
With relatives	85	4,948	4,225	2,279	2,687	2,027	2,043	4,129	4,035	—	1,633	—	—	—
Other	7	—	—	—	—	—	—	—	—	—	—	—	—	—
		Average 1992–93 award for other undergraduates enrolled in fall 1992 (Award averages are computed for students participating in the designated program.)												
All other undergraduates[6]	**12,293**	**2,976**	**2,916**	**1,521**	**1,711**	**1,435**	**1,407**	**3,256**	**3,219**	**2,017**	**1,353**	**1,942**	**3,094**	**1,274**
Sex														
Men	5,282	3,108	3,067	1,646	1,776	1,438	1,550	3,418	3,371	2,109	1,322	1,959	3,308	1,308
Women	6,958	2,886	2,824	1,428	1,672	1,432	1,302	3,150	3,122	1,924	1,373	1,942	2,909	1,243
Race/ethnicity														
White, non-Hispanic	9,152	3,007	3,040	1,515	1,691	1,412	1,407	3,311	3,268	2,108	1,353	1,968	3,085	1,281
Black, non-Hispanic	1,271	2,928	2,686	1,478	1,753	1,478	1,375	3,052	3,008	1,779	1,192	2,052	3,122	1,387
Hispanic	1,042	2,598	2,479	1,356	1,686	1,518	1,234	3,059	3,187	944	1,805	1,683	3,218	1,199
Asian American	449	3,664	3,159	1,896	2,142	1,590	1,690	3,125	3,131	—	1,282	1,833	—	—
American Indian	123	2,441	2,327	1,514	1,622	1,260	1,488	3,073	2,939	—	—	—	—	—

Table 312.—Percent of undergraduates enrolled in fall 1992 receiving aid and average amount awarded in 1992–93 per student, by type and source of aid and selected student characteristics—Continued

Selected student characteristics	Enrollment of undergraduates,[1] in thousands	Any aid: Total[2]	Any aid: Federal	Any aid: Nonfederal	Grants: Total	Grants: Federal	Grants: Nonfederal	Loans: Total	Loans: Federal	Loans: Nonfederal	Work study: Total[3]	Other: Total	Other: Federal	Other: Nonfederal
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Age														
23 years old or younger	5,277	3,320	2,989	1,878	1,908	1,435	1,747	3,199	3,154	2,172	1,195	2,385	3,224	1,262
24 to 29 years old	2,523	2,920	2,925	1,189	1,560	1,446	1,075	3,282	3,257	1,766	1,625	1,357	2,207	1,284
30 years old or over	4,465	2,498	2,775	1,249	1,538	1,424	1,175	3,380	3,352	1,552	1,672	1,339	1,712	1,291
Marital status														
Married	3,847	2,484	2,804	1,214	1,447	1,367	1,162	3,256	3,246	1,680	1,477	1,356	2,656	1,222
Not married[4]	7,709	3,181	2,970	1,650	1,817	1,449	1,517	3,273	3,231	2,018	1,343	2,135	3,160	1,293
Separated	257	2,649	2,498	1,046	1,619	1,472	928	2,857	2,846	—	—	1,194	—	1,124
Dependency status														
Dependent	4,440	3,457	3,039	2,097	2,018	1,391	1,961	3,275	3,216	2,318	1,191	2,648	3,217	1,370
Independent	7,854	2,729	2,849	1,216	1,569	1,455	1,126	3,243	3,222	1,632	1,552	1,354	2,344	1,242
Housing status														
School-owned	709	4,811	3,640	3,148	2,881	1,580	2,961	3,443	3,305	3,020	1,007	2,965	3,195	2,049
Off-campus, not with parents	8,040	2,834	2,969	1,316	1,583	1,435	1,212	3,313	3,270	2,006	1,575	1,664	2,989	1,229
With parents	3,195	2,615	2,475	1,333	1,617	1,379	1,232	2,961	2,999	1,445	1,383	2,038	3,155	1,063
With relatives	319	2,894	2,943	1,159	1,648	1,560	1,127	3,151	3,186	—	—	1,717	—	—
Other	31	—	—	—	—	—	—	—	—	—	—	—	—	—

[1] Numbers of undergraduates may not equal figures reported in other tables, since these data are based on a sample survey of students who enrolled at any time during the academic year. Includes all postsecondary institutions.

[2] Includes students who reported they were awarded aid, but did not specify the source or type of aid.

[3] Details on federal and nonfederal Work Study participants are not available.

[4] Includes students who were single, divorced, or widowed.

[5] Excludes persons whose attendance status was not reported.

[6] Enrollment data include persons whose attendance status was not reported.

NOTE.—Because of rounding and/or the fact that some students receive aid from multiple sources, row details may not add to totals. Because of rounding and survey item nonresponse, enrollment data may not add to totals. Data include undergraduates in noncollegiate and collegiate institutions.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared August 1995.)

Table 313.—Undergraduates enrolled full-time and part-time in 1992, by aid status and source of aid during 1992–93, and control and level of institution

Control and level of institution	Number of undergraduates, 1992,[1] in thousands	Aid status, 1992–93, in percents: Nonaided	Receiving aid, by source: Any aid[2]	Federal	State	Institutional	Other[2]
1	2	3	4	5	6	7	8
	Full-time students[3]						
All institutions	**6,000**	**42.1**	**57.9**	**45.6**	**17.9**	**23.4**	**9.7**
Public	4,110	48.1	51.9	40.0	16.5	16.2	8.8
4-year doctoral	1,772	46.3	53.7	39.3	14.9	20.8	9.7
Other 4-year	1,087	43.6	56.4	46.1	21.6	16.1	8.1
2-year	1,196	54.1	45.9	36.0	14.6	10.1	8.2
Less than 2-year	55	65.0	35.0	31.6	10.9	0.4	7.7
Private, nonprofit	1,469	30.5	69.5	53.4	24.6	48.5	13.2
4-year doctoral	681	37.3	62.7	44.5	17.9	48.2	13.4
Other 4-year	719	24.5	75.5	60.8	31.0	51.2	13.3
2-year or less	70	26.1	73.9	63.9	23.2	23.8	10.4
Private, proprietary	421	23.9	76.1	72.4	8.1	6.1	6.9
2-year and above	182	19.4	80.6	77.4	14.1	7.5	10.6
Less than 2-year	238	27.3	72.7	68.6	3.5	5.0	4.1
	Part-time students[3]						
All institutions	**12,293**	**67.1**	**32.9**	**25.0**	**6.7**	**6.6**	**6.6**
Public	9,911	72.9	27.1	19.8	6.2	4.9	6.1
4-year doctoral	1,504	63.5	36.5	27.5	7.6	9.5	6.9
Other 4-year	1,330	64.4	35.6	28.4	10.0	6.7	6.2
2-year	6,850	76.4	23.6	16.5	5.3	3.7	5.9
Less than 2-year	227	80.8	19.2	15.1	1.5	1.0	5.3
Private, nonprofit	1,431	50.6	49.4	35.1	11.6	20.2	11.0
4-year doctoral	391	55.6	44.4	28.3	8.8	23.7	8.9
Other 4-year	818	47.8	52.2	38.1	13.4	19.8	13.3
2-year or less	223	52.4	47.6	35.8	10.0	15.3	6.4
Private, proprietary	951	31.0	69.0	64.4	4.7	3.8	5.0
2-year and above	383	39.6	60.4	54.9	6.4	2.9	6.8
Less than 2-year	568	25.2	74.8	70.8	3.5	4.3	3.8

[1] Numbers of undergraduates may not equal figures reported in other tables, since these data are based on a sample survey. Includes students who enrolled at any time during the academic year.

[2] Includes students who reported that they were awarded aid but did not specify the source of the aid.

[3] Full-time students are students who attend full-time for the entire academic year. All other students, including those who attend full-time for part of the academic year, are counted as part-time students.

NOTE.—Because some students receive aid from multiple sources, percents do not add to totals. Excludes students whose attendance status was not reported. Data have been revised from previously published figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared July 1995.)

Table 314.—Undergraduates enrolled full-time and part-time in 1992, by type and source of aid received during 1992–93, and by control and level of institution

Control and level of institution	Number of undergraduates, 1992,[1] in thousands	Percent receiving aid in 1992–93, by type and source: Any aid			Grants			Loans			Work-study		Other		
		Total[2]	Federal	Nonfederal	Total	Federal	Nonfederal	Total	Federal	Nonfederal	Total	Federal	Total	Federal	Nonfederal
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Full-time students[4]														
All institutions	**6,000**	**57.9**	**45.6**	**37.9**	**48.1**	**29.4**	**34.0**	**33.6**	**32.7**	**2.7**	**10.2**	**6.8**	**9.5**	**5.2**	**4.6**
Public	4,110	51.9	40.0	33.0	42.3	27.8	29.1	26.9	26.1	2.0	6.8	4.2	7.9	3.7	4.4
4-year doctoral	1,772	53.7	39.3	34.8	41.9	23.8	30.8	33.0	32.2	2.4	7.1	4.3	8.6	5.0	3.9
Other 4-year	1,087	56.4	46.1	37.4	45.5	32.1	32.4	33.7	32.7	2.8	9.5	5.5	7.9	4.2	3.8
2-year	1,196	45.9	36.0	27.0	40.6	29.9	24.3	12.7	12.3	0.7	4.1	3.0	7.0	1.3	5.7
Less than 2-year	55	35.0	31.6	15.7	29.9	26.6	12.8	3.0	3.0	0.6	1.5	1.4	5.1	0.8	4.4
Private, nonprofit	1,469	69.5	53.4	58.0	62.1	27.7	54.1	46.5	44.9	4.9	22.2	15.9	12.1	7.7	5.0
4-year doctoral	681	62.7	44.5	54.8	55.2	17.3	51.8	41.6	39.7	6.1	18.9	13.2	11.6	7.4	4.5
Other 4-year	719	75.5	60.8	62.7	68.7	35.6	58.1	51.7	50.3	4.1	27.0	19.7	12.2	7.9	5.3
2-year or less	70	73.9	63.9	42.0	61.3	47.3	35.4	41.1	39.5	2.5	4.6	3.0	17.2	9.4	7.8
Private, proprietary	421	76.1	72.4	16.4	55.3	50.9	11.4	54.1	53.8	2.1	1.9	0.7	15.6	11.3	4.5
2-year and above	182	80.6	77.4	22.7	49.5	43.4	16.4	65.2	65.2	3.0	3.5	1.4	24.6	18.8	6.5
Less than 2-year	238	72.7	68.6	11.5	59.7	56.7	7.5	45.6	45.1	1.5	0.7	0.2	8.7	5.6	3.1
	Part-time students[4]														
All institutions	**12,293**	**32.9**	**25.0**	**16.5**	**27.7**	**18.8**	**14.5**	**13.6**	**13.2**	**0.8**	**2.1**	**1.2**	**4.0**	**1.4**	**2.7**
Public	9,911	27.1	19.8	14.5	23.0	15.3	12.6	9.4	9.1	0.6	1.7	0.9	3.5	1.0	2.6
4-year doctoral	1,504	36.5	27.5	19.5	27.2	17.1	16.6	21.5	21.1	1.1	3.6	2.1	6.2	3.1	3.4
Other 4-year	1,330	35.6	28.4	19.2	29.9	22.0	16.1	16.5	15.9	1.3	3.1	1.6	4.1	1.5	2.6
2-year	6,850	23.6	16.5	12.7	20.9	13.7	11.2	5.6	5.4	0.4	1.1	0.6	2.9	0.4	2.5
Less than 2-year	227	19.2	15.1	6.9	17.3	13.8	6.0	0.6	0.6	0.0	0.6	0.4	1.7	0.3	1.3
Private, nonprofit	1,431	49.4	35.1	33.7	43.1	23.2	31.7	24.0	23.4	1.8	5.9	3.8	5.3	2.6	2.9
4-year doctoral	391	44.4	28.3	33.0	37.3	12.8	31.7	24.3	23.4	2.7	5.4	3.1	4.2	2.9	1.5
Other 4-year	818	52.2	38.1	35.6	46.4	26.8	33.6	24.8	24.2	1.5	7.3	4.8	5.7	2.5	3.4
2-year or less	223	47.6	35.8	28.4	41.4	28.3	24.4	20.7	20.3	1.2	1.2	1.2	5.8	2.2	3.6
Private, proprietary	951	69.0	64.4	11.8	53.2	48.8	8.6	42.0	41.5	1.5	0.9	0.4	6.8	4.4	2.5
2-year and above	383	60.4	54.9	14.3	42.0	35.0	12.1	45.4	45.3	0.9	1.4	0.6	8.0	6.0	2.1
Less than 2-year	568	74.8	70.8	10.2	60.8	58.1	6.3	39.6	39.0	1.8	0.5	0.3	5.9	3.2	2.7

[1] Numbers of undergraduates may not equal figures reported in other tables, since these data are based on a sample survey. Includes students who enrolled at any time during the academic year.

[2] Includes students who reported they were awarded aid but did not specify the source of aid.

[3] Details on nonfederal work study participants are not available.

[4] Full-time students are students who attend full-time for the entire academic year. All other students, including those who attend full-time for part of the academic year, are counted as part-time students.

NOTE.—Excludes students whose attendance status was not reported. Because some students receive multiple types and sources of aid, details may not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared July 1995.)

Table 315.—Undergraduates enrolled full-time and part-time in 1992, by federal aid program and by control and level of institution: 1992–93

Control and level of institution	Number of undergraduates, 1992[1]	Percent receiving federal aid in 1992–93, by type: Any federal aid	Selected Title IV programs[2]: Any Title IV aid	Pell	SEOG[3]	CWS[4]	Perkins[5]	Stafford[6]	Plus[7]	SLS[8]	Any other federal aid[9]
1	2	3	4	5	6	7	8	9	10	11	12
	Full-time students[10]										
All institutions	**6,000**	**45.6**	**44.5**	**28.2**	**8.5**	**10.2**	**6.6**	**29.5**	**5.0**	**3.4**	**5.2**
Public	4,110	40.0	38.7	26.8	6.7	6.8	4.4	23.0	3.5	2.1	3.7
4-year doctoral	1,772	39.3	38.5	23.0	6.1	7.1	5.9	28.4	5.0	2.7	5.0
Other 4-year	1,087	46.1	45.3	31.1	8.4	9.5	5.6	28.7	4.2	2.2	4.2
2-year	1,196	36.0	33.4	28.5	6.3	4.1	1.4	10.6	0.8	1.2	1.3
Less than 2-year	55	31.6	27.2	24.9	0.8	1.5	0.1	3.0	0.0	0.9	0.8
Private, nonprofit	1,469	53.4	52.8	26.0	12.4	22.2	13.6	41.6	7.6	4.0	7.7
4-year doctoral	681	44.5	43.8	15.2	8.9	18.9	15.0	36.7	7.4	3.9	7.4
Other 4-year	719	60.8	60.3	34.1	15.7	27.0	13.5	46.6	7.8	4.1	7.9
2-year or less	70	63.9	63.4	46.4	12.0	4.6	0.6	37.6	8.2	3.6	9.4
Private, proprietary	421	72.4	71.9	49.6	12.5	1.9	3.1	51.5	11.3	14.1	11.3
2-year and above	182	77.4	76.7	42.1	14.0	3.5	4.0	62.7	18.8	18.6	18.8
Less than 2-year	238	68.6	68.1	55.3	11.4	0.7	2.3	43.0	5.5	10.6	5.6
	Part-time students[10]										
All institutions	**12,293**	**25.0**	**23.9**	**18.0**	**3.5**	**2.1**	**1.6**	**12.2**	**1.3**	**2.0**	**1.4**
Public	9,911	19.8	18.5	14.5	2.6	1.7	1.1	8.2	0.8	1.0	1.0
4-year doctoral	1,504	27.5	26.4	16.1	3.8	3.6	3.5	19.2	2.9	2.2	3.1
Other 4-year	1,330	28.4	27.5	21.3	3.7	3.1	2.2	14.0	1.4	1.4	1.5
2-year	6,850	16.5	15.2	13.0	2.1	1.1	0.5	4.9	0.3	0.7	0.4
Less than 2-year	227	15.1	13.5	10.8	2.4	0.6	—	0.6	—	0.1	0.3
Private, nonprofit	1,431	35.1	34.3	21.9	5.4	5.9	3.8	21.8	2.5	3.4	2.6
4-year doctoral	391	28.3	27.6	11.1	3.6	5.4	4.5	21.5	2.8	5.0	2.9
Other 4-year	818	38.1	37.2	25.7	6.2	7.3	4.3	22.8	2.5	3.0	2.5
2-year or less	223	35.8	35.4	27.1	5.7	1.2	0.9	19.0	2.0	2.1	2.2
Private, proprietary	951	64.4	64.0	47.8	9.9	0.9	2.5	40.1	4.3	10.8	4.4
2-year and above	383	54.9	54.8	34.2	9.9	1.4	3.7	44.3	6.0	13.6	6.0
Less than 2-year	568	70.8	70.3	56.9	9.9	0.5	1.6	37.4	3.2	8.9	3.2

[1] Numbers of undergraduates may not equal figures reported in other tables, since these data are based on a sample survey. Includes students who enrolled at any time during the academic year.
[2] Title IV of the Higher Education Act.
[3] Supplemental Educational Opportunity Grants.
[4] College Work Study (CWS). Prior to October 17, 1986, private, proprietary institutions were prohibited by law from spending CWS funds for on-campus work. Includes persons who participated in the program, but had no earnings.
[5] Formerly National Direct Student Loans (NDSL).
[6] Formerly Guaranteed Student Loans (GSL).
[7] Parent Loans for Undergraduate Students.
[8] Supplementary Loans for Students.
[9] Includes aid from all federal departments and agencies except Title IV aid.
[10] Full-time students are students who attend full-time for the entire academic year. All other students, including those who attend full-time for part of the academic year, are counted as part-time students.

—Less than .05 percent.

NOTE.—Excludes students whose attendance status was not reported. Because some students receive aid from multiple sources, percents do not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared July 1995.)

Table 316.—Postbaccalaureate students enrolled full-time and part-time in 1992, by aid status and source of aid during 1992–93, by level of study and by control and level of institution

Level of degree, control and type of institution	Postbaccalaureate students,[1] 1992, in thousands	Aid status, 1992–93, in percents						
		Nonaided	Receiving aid, by source					
			Any aid[2]	Federal	State	Institutional	Employer	Other[3]
1	2	3	4	5	6	7	8	9
	Full-time students[4]							
All institutions	**673**	**31.9**	**68.1**	**44.4**	**7.0**	**40.6**	**3.3**	**14.6**
Master's degree	281	37.5	62.5	33.8	5.8	42.4	5.1	12.0
Public	163	34.6	65.4	33.9	7.8	44.0	4.8	9.7
4-year doctoral	139	34.3	65.7	32.4	6.7	46.3	4.7	10.1
Other 4-year	24	36.1	63.9	42.5	14.4	30.4	5.3	7.5
Private	118	41.6	58.4	33.7	3.2	40.2	5.6	15.2
4-year doctoral	102	39.3	60.7	34.2	2.9	42.9	5.7	16.4
Other 4-year	16	56.5	43.5	30.5	5.1	22.8	4.7	7.4
Doctor's degree	120	30.4	69.6	28.3	4.4	51.6	2.2	13.2
Public	73	30.3	69.7	22.3	6.5	55.5	3.1	11.7
Private	46	30.4	69.6	37.8	1.1	45.5	0.9	15.7
First-professional	211	23.0	77.0	68.2	10.0	37.0	1.2	20.3
Public	101	20.7	79.3	72.5	13.4	37.7	1.3	15.8
Private	110	25.1	74.9	64.3	6.8	36.4	1.2	24.4
Other graduate	61	39.3	60.7	42.4	6.7	22.9	3.7	9.1
	Part-time students[4]							
All institutions	**1,980**	**71.3**	**28.7**	**10.8**	**1.9**	**12.7**	**7.9**	**9.9**
Master's degree	1,322	71.7	28.3	10.5	1.6	11.1	8.8	10.8
Public	773	73.9	26.1	10.1	2.5	11.7	6.7	8.0
4-year doctoral	489	69.6	30.4	11.9	2.5	15.3	6.7	8.2
Other 4-year	284	81.2	18.8	6.9	2.4	5.5	6.5	7.5
Private	549	68.6	31.4	11.1	0.4	10.3	11.8	14.9
4-year doctoral	357	66.9	33.1	12.1	0.4	12.1	12.1	15.0
Other 4–year	192	71.7	28.3	9.3	0.6	6.9	11.2	14.7
Doctor's degree	149	56.2	43.8	8.6	3.5	33.1	5.4	9.9
Public	97	56.1	43.9	8.5	4.4	33.3	6.4	8.9
Private	51	56.4	43.6	8.9	1.6	32.6	3.7	11.8
First-professional	64	42.6	57.4	44.9	3.3	25.7	3.4	13.9
Public	24	50.8	49.2	42.9	3.6	22.2	2.5	7.5
Private	40	37.8	62.2	46.1	3.2	27.8	3.9	17.6
Other graduate	446	79.7	20.3	7.7	1.7	8.4	6.4	6.5

[1] Numbers of postbaccalaureate students may not equal figures reported in other tables, since these data are based on a sample survey of all postbaccalaureate students. Includes students who enrolled at any time during the academic year.

[2] Includes students who reported they were awarded aid but did not specify the source of aid.

[3] Includes aid provided by corporations, unions, foundations, fraternal organizations, community organizations, etc.

[4] Full-time students are students who attend full-time for the entire academic year. All other students, including those who attend full-time for part of the academic year, are counted as part-time students.

NOTE.—Excludes students whose attendance status was not reported. Because some students receive aid from multiple sources, percents do not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared July 1995.)

Table 317.—Postbaccalaureate students enrolled full-time and part-time in 1992, by type of aid received during 1992–93, by level of study and by control and level of institution

Level of degree, control and type of institution	Postbaccalaureate students,[1] 1992, in thousands	Type of aid, 1992–93, in percents							
		Any aid[2]	Fellowship grants	Tuition waivers	Assistantships[3]	Employer	Loans		
							Any loans	Stafford[4]	SLS[5]
1	2	3	4	5	6	7	8	9	10
	Full-time students[6]								
All institutions	**673**	**68.1**	**3.5**	**12.4**	**14.3**	**3.3**	**43.5**	**41.1**	**19.2**
Master's degree	281	62.5	3.5	15.6	18.1	5.1	32.5	30.5	10.0
Public	163	65.4	2.2	20.5	22.4	4.8	32.2	30.8	7.3
4-year doctoral	139	65.7	2.4	23.3	23.5	4.7	30.6	29.6	7.4
Other 4-year	24	63.9	1.0	4.4	15.8	5.3	41.5	38.4	6.8
Private	118	58.4	5.3	8.9	12.1	5.6	32.9	30.0	13.6
4-year doctoral	103	60.7	6.2	9.5	13.6	5.7	33.6	30.8	14.9
Other 4-year	16	43.5	0.0	5.4	3.0	4.7	28.7	24.6	5.6
Doctor's degree	120	69.6	9.3	19.4	27.0	2.2	25.8	23.9	10.0
Public	73	69.7	4.2	23.1	31.6	3.1	20.6	18.9	5.6
Private	46	69.6	17.5	13.6	19.9	0.9	34.1	31.9	17.0
First-professional	211	77.0	0.9	5.6	4.4	1.2	67.8	65.5	38.3
Public	101	79.3	0.4	5.4	4.3	1.3	71.8	69.9	37.5
Private	110	74.9	1.2	5.8	4.5	1.2	64.1	61.6	39.1
Other graduate	61	60.7	1.1	7.5	6.2	3.7	44.4	39.6	14.2
	Part-time students[6]								
All institutions	**1,980**	**28.7**	**0.6**	**5.1**	**4.3**	**7.9**	**10.5**	**9.4**	**2.8**
Master's degree	1,322	28.3	0.6	4.6	3.8	8.8	10.3	9.3	2.1
Public	773	26.1	0.9	4.9	5.2	6.7	9.9	9.0	1.7
4-year doctoral	489	30.4	1.4	6.5	6.7	6.7	11.8	10.7	2.3
Other 4-year	284	18.8	0.1	2.3	2.6	6.5	6.5	6.0	0.8
Private	549	31.4	0.2	4.2	1.8	11.8	11.0	9.7	2.6
4-year doctoral	357	33.1	0.3	4.4	2.5	12.1	11.9	10.5	3.3
Other 4-year	192	28.3	0.2	3.8	0.7	11.2	9.3	8.1	1.3
Doctor's degree	149	43.8	2.4	12.7	17.0	5.4	7.3	6.9	1.6
Public	97	43.9	2.1	15.0	17.0	6.4	7.1	6.5	0.6
Private	51	43.6	3.1	8.3	17.0	3.7	7.7	7.5	3.6
First-professional	64	57.4	0.3	5.9	3.1	3.4	45.6	42.0	22.8
Public	24	49.2	0.0	6.8	6.1	2.5	42.4	41.4	19.6
Private	40	62.2	0.5	5.4	1.4	3.9	47.5	42.3	24.8
Other graduate	446	20.3	0.1	3.4	1.6	6.4	7.1	6.0	2.2

[1] Numbers of postbaccalaureate students may not equal figures reported in other tables, since these data are based on a sample survey of all postbaccalaureate students. Includes students who enrolled at any time during the academic year.

[2] Includes students who reported they were awarded aid but did not specify the source of aid.

[3] Includes students who received teaching or research assistantships and/or participated in work-study programs.

[4] Stafford loans, formerly Graduate Student Loans (GSL).

[5] Supplementary Loans for Students.

[6] Full-time students are students who attend full-time for the entire academic year. All other students, including those who attend full-time for part of the academic year, are counted as part-time students.

NOTE.—Excludes students whose attendance status was not reported. Because some students receive aid from multiple sources, percents do not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study, 1992–93. (This table was prepared July 1995.)

Table 318.—Scholarship and fellowship awards[1] of institutions of higher education, by control of institution: 1959–60 to 1993–94

[In thousands]

Year	Total scholarship and fellowship awards			Scholarship and fellowship awards from unrestricted funds			Scholarship and fellowship awards from restricted funds		
	All institutions	Public	Private	All institutions	Public	Private	All institutions	Public	Private
1	2	3	4	5	6	7	8	9	10
1959–60	$172,051	$59,673	$112,377	—	—	—	—	—	—
1961–62	228,765	78,255	150,510	—	—	—	—	—	—
1963–64	300,370	107,767	192,603	—	—	—	—	—	—
1965–66	425,524	153,256	272,269	—	—	—	—	—	—
1966–67	583,390	248,077	335,311	—	—	—	—	—	—
1967–68	712,425	326,915	385,510	—	—	—	—	—	—
1968–69	814,755	367,433	447,322	—	—	—	—	—	—
1969–70	984,594	456,977	527,617	—	—	—	—	—	—
1970–71	1,098,198	528,243	569,955	—	—	—	—	—	—
1971–72	1,241,372	621,387	619,986	—	—	—	—	—	—
1972–73	1,322,411	656,054	666,357	—	—	—	—	—	—
1973–74	1,396,488	705,691	690,797	—	—	—	—	—	—
1974–75	1,449,542	718,780	730,762	$631,801	$267,191	$364,610	$817,741	$451,589	$366,152
1975–76	1,635,859	798,515	837,343	686,604	276,334	410,269	949,255	522,181	427,074
1976–77	1,770,215	859,011	911,204	748,763	291,073	457,690	1,021,451	567,938	453,514
1977–78	1,839,298	840,666	998,632	818,101	305,563	512,537	1,021,197	535,102	486,095
1978–79	1,944,599	861,578	1,083,021	883,213	326,201	557,012	1,061,386	535,377	526,009
1979–80	2,200,468	970,363	1,230,106	904,876	324,224	580,652	1,295,592	646,138	649,454
1980–81	2,504,525	1,064,864	1,439,661	1,080,614	367,476	713,138	1,423,911	697,388	726,523
1981–82	2,684,945	1,088,717	1,596,228	1,236,081	374,632	861,449	1,448,864	714,085	734,779
1982–83	2,922,897	1,188,383	1,734,514	1,478,762	460,291	1,018,470	1,444,136	728,092	716,044
1983–84	3,301,673	1,276,644	2,025,028	1,738,188	518,626	1,219,562	1,563,485	758,018	805,466
1984–85	3,670,355	1,374,803	2,295,551	1,961,597	569,058	1,392,539	1,708,758	805,745	903,012
1985–86	4,160,174	1,575,909	2,584,266	2,285,116	696,973	1,588,143	1,875,059	878,935	996,123
1986–87	4,776,100	1,751,671	3,024,430	2,644,615	750,931	1,893,684	2,131,486	1,000,740	1,130,746
1987–88	5,325,358	1,941,389	3,383,968	2,941,143	830,195	2,110,948	2,384,215	1,111,194	1,273,021
1988–89	5,918,666	2,150,350	3,768,316	3,282,698	944,001	2,338,697	2,635,969	1,206,349	1,429,619
1989–90	6,655,544	2,386,493	4,269,051	3,853,904	1,099,425	2,754,479	2,801,640	1,287,068	1,514,572
1990–91	7,551,184	2,688,532	4,862,651	4,445,106	1,270,158	3,174,947	3,106,078	1,418,374	1,687,704
1991–92	9,060,000	3,255,660	5,804,340	5,205,797	1,523,721	3,682,076	3,854,203	1,731,939	2,122,264
1992–93	10,148,373	3,727,838	6,420,536	5,949,037	1,745,339	4,203,697	4,199,337	1,982,498	2,216,838
1993–94[2]	11,238,010	4,222,923	7,015,087	6,644,717	1,934,617	4,710,100	4,593,293	2,288,306	2,304,987

[1] Includes Supplemental Educational Opportunity Grants and State Student Incentive Grants, but excludes Pell Grants.
[2] Preliminary data.
—Data not collected.

NOTE.—Because of rounding, details may not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Financial Statistics of Institutions of Higher Education" surveys and Integrated Postsecondary Education Data System (IPEDS), "Finance" surveys. (This table was prepared April 1996.)

Table 319.—Pell Grant revenue of institutions of higher education compared to current-fund revenue and tuition, by type and control of institution: 1985–86 to 1993–94

[Amounts in thousands]

Year and type of control of institution	Total				Public				Private			
	Current-fund revenue	Tuition	Pell Grant revenue	Pell Grants as a percent of current-fund revenue	Current-fund revenue	Tuition	Pell Grant revenue	Pell Grants as a percent of current-fund revenue	Current-fund revenue	Tuition	Pell Grant revenue	Pell Grants as a percent of current-fund revenue
1	2	3	4	5	6	7	8	9	10	11	12	13
1985–86	$100,437,616	$23,116,605	$2,565,048	2.6	$65,004,632	$9,439,177	$1,873,456	2.9	$35,432,985	$13,677,429	$691,592	2.0
4-year	88,144,386	20,498,399	1,770,042	2.0	53,746,503	7,539,717	1,214,303	2.3	34,397,882	12,958,683	555,739	1.6
2-year	12,293,231	2,618,206	795,006	6.5	11,258,128	1,899,460	659,153	5.9	1,035,102	718,746	135,853	13.1
1987–88	117,340,109	27,836,781	2,496,133	2.1	74,771,255	11,184,657	1,876,777	2.5	42,568,854	16,652,124	619,355	1.5
4-year	103,280,070	24,779,364	1,714,118	1.7	61,958,780	9,032,936	1,207,418	1.9	41,321,290	15,746,428	506,700	1.2
2-year	14,060,039	3,057,417	782,015	5.6	12,812,475	2,151,721	669,359	5.2	1,247,564	905,696	112,656	9.0
1989–90	139,635,477	33,926,060	3,348,018	2.4	88,911,433	13,820,240	2,566,209	2.9	50,724,044	20,105,820	781,809	1.5
4-year	122,858,290	30,302,689	2,253,803	1.8	73,415,696	11,090,012	1,591,684	2.2	49,442,595	19,212,677	662,119	1.3
2-year	16,777,187	3,623,371	1,094,215	6.5	15,495,738	2,730,229	974,525	6.3	1,281,449	893,143	119,690	9.3
1990–91	149,766,051	37,434,462	3,510,537	2.3	94,904,506	15,258,024	2,725,357	2.9	54,861,545	22,176,439	785,180	1.4
4-year	131,743,973	33,405,241	2,312,931	1.8	78,272,989	12,188,851	1,647,376	2.1	53,470,984	21,216,389	665,554	1.2
2-year	18,022,078	4,029,222	1,197,606	6.6	16,631,517	3,069,173	1,077,981	6.5	1,390,562	960,049	119,625	8.6
1991–92	161,395,896	41,559,037	4,238,047	2.6	102,202,890	17,460,263	3,312,386	3.2	59,193,006	24,098,774	925,661	1.6
4-year	141,700,893	36,910,390	2,710,510	1.9	83,969,040	13,827,245	1,928,623	2.3	57,731,852	23,083,145	781,887	1.4
2-year	19,695,003	4,648,647	1,527,537	7.8	18,233,850	3,633,018	1,383,763	7.6	1,461,153	1,015,629	143,774	9.8
1992–93	170,880,503	45,346,071	4,701,905	2.8	108,186,484	19,490,221	3,663,529	3.4	62,694,018	25,855,850	1,038,377	1.7
4-year	150,075,119	40,127,624	2,982,999	2.0	88,952,983	15,406,746	2,097,638	2.4	61,122,135	24,720,878	885,360	1.4
2-year	20,805,384	5,218,447	1,718,907	8.3	19,233,501	4,083,475	1,565,890	8.1	1,571,883	1,134,972	153,017	9.7
1993–94[1]	179,226,601	48,646,538	4,564,790	2.5	112,968,097	20,825,388	3,543,643	3.1	66,258,504	27,821,149	1,021,147	1.5
4-year	157,265,446	43,052,545	2,674,392	1.7	92,747,344	16,457,225	1,860,187	2.0	64,518,102	26,595,320	814,204	1.3
2-year	21,961,155	5,593,993	1,890,399	8.6	20,220,753	4,368,164	1,683,456	8.3	1,740,402	1,225,829	206,942	11.9

[1] Preliminary data.

NOTE.—Pell Grants which are spent on campus for tuition, room, board or other college expenses are included in current-fund revenue. Because of rounding, details may not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Financial Statistics of Institutions of Higher Education" surveys; and Integrated Postsecondary Education Data System (IPEDS), "Finance" surveys. (This table was prepared April 1996.)

Table 320.—State awards for need-based[1] undergraduate scholarship and grant programs, by state: 1983–84 to 1994–95

[In thousands]

State	1983–84	1985–86	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93[2]	1993–94[2]	1994–95[2]	Percent change, 1983–84 to 1994–95[3]
1	2	3	4	5	6	7	8	9	10	11	12	13
United States	**$1,024,206**	**$1,222,112**	**$1,325,984**	**$1,377,996**	**$1,423,743**	**$1,529,421**	**$1,658,221**	**$1,781,820**	**$1,923,720**	**$2,195,993**	**$2,421,952**	**136.5**
Alabama	1,731	2,242	2,120	2,260	2,196	2,984	2,878	2,183	2,271	2,283	2,281	31.8
Alaska	189	241	229	240	234	228	464	475	470	454	444	134.9
Arizona	2,027	2,401	2,437	3,222	3,508	3,420	3,318	2,278	2,437	3,476	3,482	71.8
Arkansas	2,226	4,108	3,800	3,759	3,903	3,946	3,885	4,742	6,319	7,701	8,907	300.1
California	86,031	112,373	112,770	118,819	129,264	153,045	161,642	172,852	151,379	207,969	232,067	169.7
Colorado	7,341	9,282	9,491	9,327	9,395	10,349	11,276	12,380	14,812	16,480	18,252	148.6
Connecticut	9,371	11,095	9,094	14,650	21,149	19,915	20,580	20,595	20,805	20,641	20,690	120.8
Delaware	548	756	875	807	829	956	1,066	906	1,121	1,270	1,033	88.5
District of Columbia	759	1,106	1,059	1,106	1,075	1,069	947	978	1,015	1,022	1,022	34.7
Florida	12,515	14,819	14,151	15,245	16,522	20,134	24,729	29,279	29,628	31,277	36,824	194.2
Georgia	3,683	4,510	4,946	4,599	5,197	4,607	5,070	5,084	4,951	26,853	5,147	39.8
Hawaii	493	604	595	563	598	726	612	632	724	748	732	48.5
Idaho	378	509	487	343	348	346	350	483	580	634	779	106.1
Illinois	104,384	122,300	131,788	135,880	143,373	171,361	183,508	184,753	203,532	214,809	244,352	134.1
Indiana	20,380	26,448	30,512	45,408	35,692	41,874	46,756	[4]50,441	55,814	55,814	67,742	232.4
Iowa	20,263	22,379	22,378	25,960	30,050	32,467	35,586	34,654	34,067	34,718	35,642	75.9
Kansas	4,664	5,609	5,250	5,337	5,540	6,478	6,462	6,587	6,894	9,060	9,802	110.2
Kentucky	7,886	8,758	12,139	12,161	12,522	12,605	19,866	16,996	20,520	20,619	25,517	223.6
Louisiana	1,693	2,003	1,818	1,880	1,947	2,786	3,827	4,446	5,125	6,374	6,429	279.7
Maine	477	809	1,151	1,418	1,408	1,877	4,802	5,002	5,200	5,170	5,787	1,113.2
Maryland	5,459	6,859	7,822	8,737	12,841	14,800	15,607	16,253	20,828	23,713	24,571	350.1
Massachusetts	25,655	43,466	56,995	61,600	62,443	50,844	46,000	23,690	45,989	45,059	61,850	141.1
Michigan	30,753	57,645	66,864	70,099	75,467	70,721	68,918	78,116	75,469	79,735	81,340	164.5
Minnesota	46,600	45,486	65,473	63,300	68,293	58,136	74,656	81,322	83,170	102,920	97,920	110.1
Mississippi	1,015	1,288	1,287	1,230	1,251	1,243	1,136	1,131	1,244	1,255	1,248	23.0
Missouri	8,766	9,645	9,692	8,394	10,234	10,796	11,078	10,142	11,097	11,124	11,913	35.9
Montana	353	440	401	419	420	415	383	414	418	401	419	18.7
Nebraska	860	1,093	1,042	1,094	1,052	1,276	2,192	2,370	2,613	2,686	2,726	217.0
Nevada	327	414	326	352	352	[4]352	321	326	341	342	342	4.6
New Hampshire	536	660	623	810	886	918	770	825	1,253	840	1,425	165.9
New Jersey	47,980	65,173	63,978	70,298	76,204	84,347	87,054	100,220	118,868	135,251	159,683	232.8
New Mexico	695	1,461	1,461	4,107	5,024	5,601	6,479	[4]7,293	8,295	9,266	13,886	1,898.0
New York	327,320	363,949	391,989	372,363	355,192	382,655	428,358	504,195	554,803	618,849	636,704	94.5
North Carolina	3,974	4,440	4,386	4,559	4,489	3,046	2,519	2,908	3,163	14,436	13,774	246.6
North Dakota	635	808	503	490	976	1,242	1,177	1,475	2,162	2,036	1,996	214.3
Ohio	41,974	45,000	47,846	49,200	50,865	53,848	54,600	57,275	66,000	77,940	91,225	117.3
Oklahoma	6,561	8,242	8,630	10,245	9,861	11,591	11,871	12,612	13,286	13,405	13,325	103.1
Oregon	8,546	9,514	9,204	9,959	10,108	10,092	11,809	12,023	12,606	12,903	13,761	61.0
Pennsylvania	83,474	96,800	103,401	110,992	118,986	132,344	142,389	158,092	173,214	188,751	218,604	161.9
Rhode Island	6,745	7,856	8,930	8,138	8,967	9,917	9,522	9,141	9,586	6,500	6,340	6.0
South Carolina	12,588	15,146	16,348	16,346	17,810	18,150	17,901	16,800	17,105	16,795	17,297	37.4
South Dakota	440	624	563	516	506	504	468	480	587	589	589	33.9
Tennessee	6,700	9,434	10,618	12,591	11,977	12,977	13,487	12,793	13,723	16,755	18,313	173.3
Texas	21,438	19,033	20,990	22,705	22,266	24,784	24,135	27,385	27,467	29,102	29,102	35.7
Utah	1,538	1,131	1,080	1,133	1,081	1,091	1,001	1,034	1,115	1,132	1,129	26.6
Vermont	7,039	7,724	8,088	8,414	9,264	11,137	10,184	11,019	11,120	11,167	11,788	67.5
Virginia	4,075	4,415	4,349	4,414	8,062	7,966	7,351	4,892	6,654	6,408	53,885	1,222.3
Washington	7,530	8,827	10,022	12,425	12,858	13,925	21,095	23,527	23,571	46,617	53,369	608.8
West Virginia	4,376	5,167	5,157	5,189	5,204	5,217	5,559	5,781	5,868	5,802	6,761	54.5
Wisconsin	23,011	27,816	30,622	34,653	35,842	38,072	42,365	42,324	44,216	46,592	49,511	115.2
Wyoming	204	204	204	240	212	[4]241	[4]212	216	225	250	225	10.3

[1] In 1987–88, 1988–89, 1989–90, 1990–91, 1991–92, 1992–93, 1993–94, and 1994–95 need-based aid to undergraduates comprised 81.0, 78.2, 76.8, 77.4, 74.7, 75.7, 75.7 and 77.5 percent of all aid, respectively, compared with non-need-based aid or other types of aid to all undergraduate and graduate students. This table excludes loans.

[2] Estimated

[3] Changes may reflect introduction of new programs or discontinuation of existing programs.

[4] Data are estimated based on prior year's report.

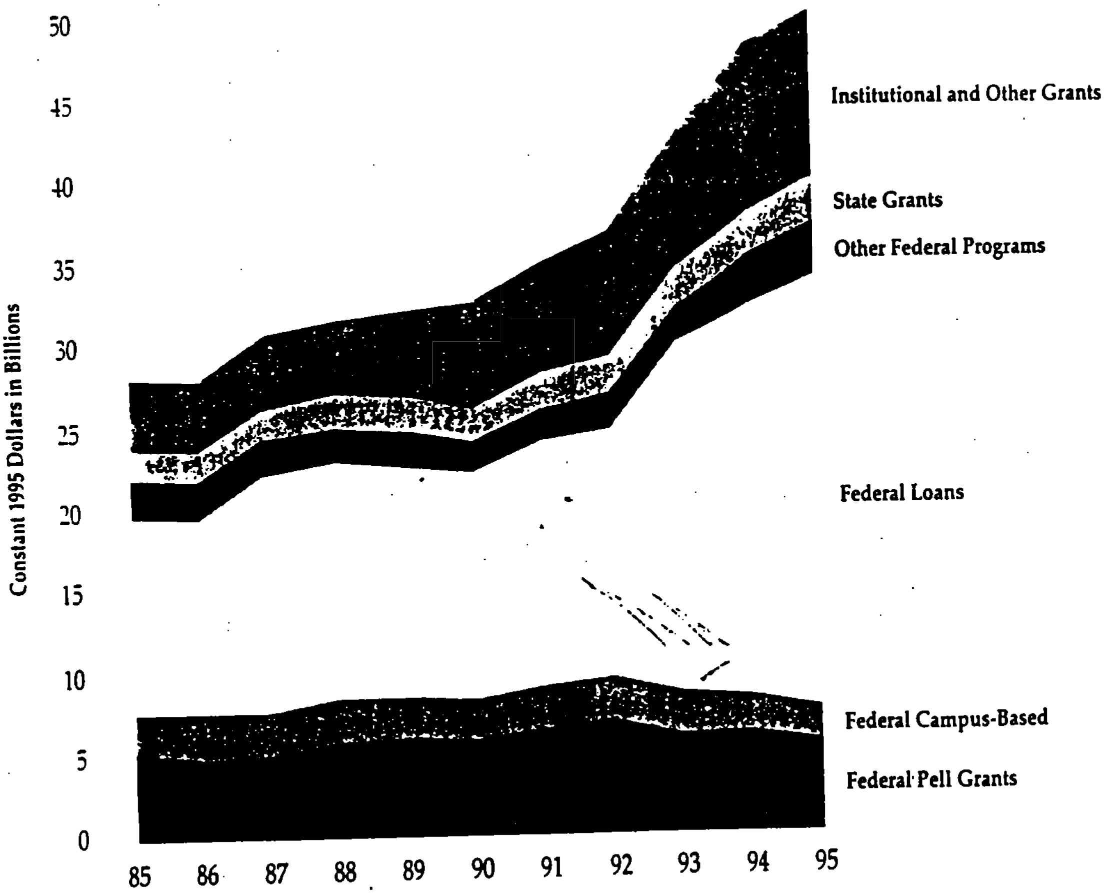
NOTE.-Some data have been revised from previously published figures. Because of rounding, details may not add to totals.

SOURCE: National Association of State Scholarship and Grant Programs, *Annual Survey Report*, various years. (This table was prepared April 1996.)

UPDATE

Trends in Student Aid: 1986 to 1996

FIGURE 1



Trends in Student Aid presents annual data on the amount of financial assistance available to help students pay the tuition, room and board, and other costs of attendance in postsecondary education.

The College Board began this data series more than ten years ago to monitor the changing value and nature of such aid from federal, state, and institutional sources.[1]

To collect comparable data on an annual basis, we have had to accept several statistical limitations:

- Because the available data do not always separate assistance for undergraduate and graduate students, this report necessarily aggregates aid for both.
- Likewise, because there are no reliable annual statistics on state or institutional loan and work-study programs, our state and institutional figures refer to grant assistance only. We are also unable to capture students' earnings that are not the result of formal work-study programs or tuition assistance that students may receive from their employers.
- Finally, our data series does not include private nonfederally-guaranteed borrowing programs, which appear to be on the rise (see estimate below).

Despite these limitations, the data that follow represent virtually all federal aid and the vast majority of state and institutional assistance available to students in postsecondary education. To encourage accurate interpretation of trends, we report all data in constant (adjusted for inflation) dollars, as well as in current dollars.

To put student aid trends in context, we also report on changes in the costs of attending college and in family incomes, and we adjust each by the same inflation measure (the consumer price index). To determine if college is becoming more or less affordable, one must look at all three measures (costs, family income, and available aid) together. Ideally, we would present statistics on each of these by postsecondary sector, but data on incomes and aid (unlike data on costs) are unavailable by institutional type.

Ideally, too, we would report trends on a per-student as well as on an aggregate basis. In fact, our original publication, covering the years 1963 to 1983, did this. For most of that period, however, student aid went largely to students in the traditional collegiate sector; so available statistics on enrollment in public and private nonprofit institutions were adequate. Since the early 1980s, growing numbers of students in proprietary (for-profit) schools have participated in aid programs. Per-student calculations, then, should be based on postsecondary enrollments in all three sectors; unfortunately, these are not available.

Tables 1 to 7 provide statistics on student aid, family income, and college costs for the period 1986–87 through 1995–96. Appendix tables A and B provide basic program statistics for all years in our database back to 1963–64. As always, we continue to refine our coverage of programs and to update previously-reported statistics when better data become available.

This year, we have made one technical change to the data series. Previously, we relied on cost of attendance data from the U.S. Department of Education because we did not have ten years of comparable data from the College Board's own annual survey of colleges. Now, we have ten years of data from the College Board survey that we believe are as reliable and accurate as the Department of Education's figures and have therefore converted to the College Board data.

An Estimate of Non-Federal Borrowing[2]

Ten years ago, only a handful of "alternative" college loan programs — not federally sponsored or guaranteed — were in operation. However, private and state loan programs for students and parents grew in the late 1980s as college prices outpaced inflation and federal aid failed to cover the difference. After Congress raised federal borrowing ceilings in 1992, the demand for non-federal loans declined but now appears to be resuming an upward trend.

Because no systematic data on such programs are available, we have not heretofore attempted to account for these sources in *Trends in Student Aid.* It is clear, however, that this gap in the survey's coverage is becoming more significant, and this year we have taken an informal poll of the largest non-federal loan sponsors. Based on the results, we estimate that non-federal borrowing for higher education amounted to nearly $1.3 billion in 1995-96. While such programs may be growing, their volume remains but a fraction of the nearly $30 billion generated by federal student and parent loans in 1995-96.

This estimate of non-federal borrowing includes a) approximately $1 billion in unsecured private bank-originated loans; and b) about $250 million in state-sponsored borrowing, financed either by state appropriations or tax-exempt bond issues. More than half of the privately-sponsored loan volume is for graduate students, while the state-sponsored programs are directed primarily to undergraduates and their families.

HIGHLIGHTS

- Student aid from federal and state governments and institutions topped $50 billion in 1995-96. After adjusting for inflation, this amount is 75 percent higher than a decade ago and 4 percent higher than in 1994–95. (Tables 1 and 2)

- Continuing the trend of the past fifteen years, the largest single source of aid in 1995–96 was federal loans. Federal loan programs provided almost $29 billion in aid to students and parents, 57 percent of all available aid. Over 7.5 million loans were made to students and parents through federal loan programs in 1995–96.[3] (Tables 4 and 6)

- Total student and parent loan volume has increased 65 percent since 1992-93, most of that growth occurring immediately after the Higher Education Amendments of 1992 raised loan limits and broadened eligibility for Stafford student loans. Since 1993-94, annual growth in loan volume has slowed; this year, total loan volume is 8 percent higher than in 1994-95, after adjusting for inflation. (Table 2)

- While student borrowing increased by a relatively modest 6 percent between 1994-95 and 1995-96 after adjusting for inflation, parent borrowing through the PLUS program jumped 29 percent over the same period. PLUS borrowing totaled $2.4 billion in 1995-96; both the number of loans and the average parent loan amount increased substantially. (Tables 2 and 4)

- Expansion of the federal loan programs since 1992-93 has been spurred primarily by an increased number of loans, rather than by growth in the average loan amount. For example, the number of Stafford subsidized loans has jumped by 1.2 million since 1986, while the average loan in that program has increased by only $150 after adjusting for inflation. (Table 4)

- The new Stafford Unsubsidized program has been a major catalyst of growth in student loan volume. Most student loans are subsidized to the extent that the government pays the interest on them while borrowers are enrolled in college. However, a growing share of student loans are now unsubsidized, adding in-school interest charges to the borrower's total cost of each loan.[4] After four years of operation, the Stafford Unsubsidized program provided almost 2.5 million loans totaling $8.8 billion in 1995-96.[5] (Tables 1 and 4)

- The two-year old Ford Direct Loan Program, in which students borrow directly from the federal government, has assumed a substantial share of the student loan market. The Ford Direct Loan Program now accounts for 30 percent of federal student and parent loan volume. The Federal Family Education Loan Program lends 65 percent of federal loan funds, and the Perkins Loan program and several smaller programs share the remaining 5 percent. (Table 1)

- In contrast to loans, federal grant aid to students decreased substantially over the past year. In particular, the Pell Grant program fell from $5.6 billion in 1994-95 to $5.3 billion in 1995-96 despite a $40 increase in the maximum grant. As a result of declines in the major federal grant programs, and dramatic increases in student borrowing, grants now represent 42 percent of total federal, state, and institutional student aid and loans 57 percent. A decade earlier, grants and loans represented 48 and 49 percent of total aid, respectively. (Tables 2 and 6)

- As borrowing has increased and federal grants declined, tuition increases have continued to outpace growth in personal and family income. After adjusting for inflation, ten-year increases in tuition ranged from 20 to 60 percent depending on type of institution while disposable personal income rose 9 percent and median family income fell 3 percent. (Table 3)

Notes:

1 This survey accounts only for direct aid to students, not the indirect subsidies provided in the form of relatively low tuition charged by public institutions. States contribute the most such indirect support for students. But the federal government remains the largest provider of direct aid to help students meet their costs of attendance, including tuition, fees, living costs, transportation, books, and supplies.

2 The above estimate does not include conventional consumer loans or borrowing through consumer credit cards or home equity lines of credit. No doubt families and students use these forms of credit to finance postsecondary expenses, but there is no way even roughly to estimate the extent of such financing. The above estimates also do not include loan programs sponsored directly by postsecondary institutions.

3 None of the loan totals discussed in this section include the results of our informal poll of student and parent borrowing through private and state-sponsored programs.

4 Eligibility for subsidized loans is determined by student need, defined as the difference between the cost of college attendance and a student's (and their parents') ability to pay that cost. Unsubsidized loans are available to all students, regardless of need. Students may borrow up to $23,000 in subsidized and unsubsidized loans as undergraduates.

5 It is important to note that the dramatic increase in the new unsubsidized program is due in part to the discontinuation of the Supplemental Loans for Students program (SLS), which previously provided unsubsidized loans to graduate and professional students. Many students who would have borrowed through SLS have shifted to the new unsubsidized program.

TABLE 1

Aid Awarded to Postsecondary Students in Current Dollars (in Millions)

Federally Supported Programs	Academic Year 1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	Estimate 1994–95	Preliminar 1995–96
Generally Available Aid										
Pell Grants	3,441	3,736	4,471	4,768	4.910	5,777	6,177	5,652	5,519	5,407
SEOG	400	419	422	445	453	498	554	564	755	579
SSIG	73	75	72	71	59	62	71	71	72	64
CWS	629	635	625	663	728	760	780	771	757	612
Perkins Loans	763	805	874	903	870	868	892	919	971	957
Income Contingent Loans	0	5	5	6	6	5	5	0	0	0
Ford Direct Loans	0	0	0	0	0	0	0	0	1,789	8,452
(Subsidized Stafford)	0	0	0	0	0	0	0	0	(1,117)	(5,112)
(Unsubsidized Stafford)	0	0	0	0	0	0	0	0	(493)	(2,544)
(PLUS)	0	0	0	0	0	0	0	0	(180)	(796)
Family Education Loans	9,102	11,385	11,985	12,151	12.669	13,993	14,914	21,177	22,936	18,932
(Subsidized Stafford)	(8,330)	(9,119)	(9,319)	(9,508)	(10,002)	(10,805)	(10,937)	(14,155)	(14,104)	(11,039)
(Unsubsidized Stafford)	(0)	(0)	(0)	(0)	(0)	(0)	(323)	(2,024)	(7,139)	(6,253)
(SLS)	(520)	(1,830)	(2,015)	(1,835)	(1,710)	(2,022)	(2,375)	(3,469)	(32)	(0)
(PLUS)	(252)	(436)	(651)	(808)	(957)	(1,165)	(1,279)	(1,529)	(1,660)	(1,640)
Subtotal	14,408	17,060	18,455	19,007	19,694	21,963	23,392	29,154	32,800	35,004
Specially Directed Aid										
Veterans	783	762	724	790	679	876	1,037	1,192	1,256	1,372
Military	361	349	341	364	369	394	393	405	417	452
Other Grants	74	92	102	110	118	160	162	167	236	171
Other Loans	316	298	332	355	345	367	411	456	404	366
Subtotal	1,534	1,502	1,498	1,620	1,510	1,796	2,003	2,221	2,313	2,361
Total Federal Aid	15,942	18,562	19,952	20,627	21,204	23,759	25,395	31,375	35,113	37,365
State Grant Programs	1,432	1,503	1,581	1,719	1,860	1,968	2,125	2,375	2,773	3,021
Institutional and Other Grants	3,371	3,808	3,978	4,951	5,761	6,679	7,485	8,233	9,057	9,962
Total Federal, State, and Institutional Aid	20,745	23,873	25,511	27,297	28,825	32,406	35,006	41,983	46,943	50,349
	97%								75%	74

Notes for Table 1

Several of the federally-supported programs include small amounts of funding from sources other than the federal government. For example, College Work-Study (CWS) includes contributions by institutions, although most of the funds in the program are federal. Perkins Loans (until 1987 called National Direct Student Loans or NDSL) are funded from federal and institutional capital contributions as well as collections from borrowers.

The monies reported under federally supported aid as State Student Incentive Grant (SSIG) expenditures are federal monies only; the state share is included under the "state grants" category. Likewise, institutional matching funds required by the Supplemental Educational Opportunity Grant (SEOG) program since 1989–90 are reported under "institutional and other grants".

The Income Contingent Loan Program was discontinued after 1992–93.

The Ford Direct Loan Program began disbursing loans in academic year 1994–95. It includes Stafford Subsidized and Unsubsidized Loans and Parent Loans for Undergraduate Students (PLUS). Under this program, loans are provided directly to students by the federal government, using funds from the U.S. Treasury.

The Federal Family Education Loan Program (until 1992 Guaranteed Student Loans), which includes or has included Stafford Subsidized and Unsubsidized Student Loans, PLUS, and Supplemental Loans for Students (SLS), relies on private sources of capitol. The federal government subsidizes interest payments and guarantees repayment of defaulted loans. Until SLS was created by the 1986 Amendments to the Higher Education Act, supplemental loans were provided to students under the Auxiliary Loans to Assist Students (ALAS) program. ALAS loans are shown on the SLS line for 1985-86 to 1986-87. The SLS program has been discontinued; academic year 1994-95 is the last year in which loans were disbursed through this program.

Veterans Benefits are payments for postsecondary education and training to veterans and their dependents authorized under Chapters 30, 31, 32, 34, 35, and 106 of the U.S. Code. Federal contributions to Chapter 34, the Veterans' Educatio Assistance portion of the Post-Korean Conflict Educational Assistance Prograı were terminated in 1990. After 1990, remaining eligible veterans were fund through chapter 30.

Military expenditures for education are reported for three types of programs: the Edward Hebert Armed Forces Health Profession Scholarship Program, Rese Officers' Training Corps programs for the Air Force, Army, and Navy/Marines, a higher education tuition assistance for the active duty Armed Forces.

The other grants category includes Higher Education Grants for Indian Studeı Fellowships for Indian Students, American Indian Scholarships, Indian Health Serv Scholarships, National Science Foundation pre-doctoral fellowships (minority a general graduate), National Health Service Corps Scholarships, National Institutes Health predoctoral individual awards including Nursing Fellowships, fellowsh awarded through the Council on Legal Educational Opportunity, the Jacob K. Ja Fellowship Program, the Paul Douglas Teacher Scholarship Program, the Robert Byrd Honors Scholarship Program, and college grants provided to volunteers in Americorps national service programs.

Other loans include amounts loaned under the Health Professions Student L Program, the Health Education Assistance Loan Program, and the Nursing Stud Loan Program.

The state grant amount for 1995-96 is based on projections by the 20 states t award approximately 90 percent of state grant funds and estimates for t remaining 30 states, the District of Columbia, and Puerto Rico by the College Boar

Institutional awards include, in addition to awards from the institution's own fun scholarships, fellowships, and trainee stipends from government and priv programs that allow the institution to select the recipient. Data for 1993–94 a beyond are estimates.

TABLE 2

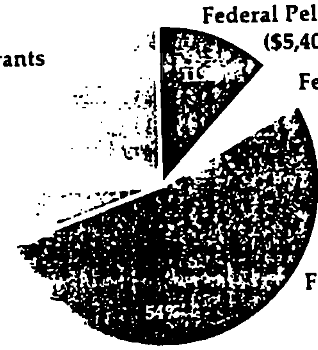
Aid Awarded to Postsecondary Students in Constant 1995 Dollars (in Millions)

Federally Supported Programs	Academic Year 1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	Estimate 1994–95	Preliminary 1995–96
Generally Available Aid										
Pell Grants	4,715	4,916	5,625	5,722	5,584	6,367	6,602	5,886	5,589	5,334
SEOG	547	551	532	534	515	549	592	588	765	571
SSIG	100	99	91	86	67	69	76	74	73	64
CWS	862	836	787	796	828	837	834	804	767	604
Perkins Loans	1,046	1,059	1,099	1,083	990	956	953	957	983	944
Income Contingent Loans	0	7	6	7	6	5	5	0	0	0
Ford Direct Loans	0	0	0	0	0	0	0	0	1,863	8,559
(Subsidized Stafford)	0	0	0	0	0	0	0	0	(1,131)	(5,042)
(Unsubsidized Stafford)	0	0	0	0	0	0	0	0	(499)	(2,509)
(PLUS)	0	0	0	0	0	0	0	0	(182)	(785)
Family Education Loans	12,471	14,979	15,079	14,581	14,408	15,422	15,939	22,057	23,227	18,676
(Subsidized Stafford)	(11,413)	(11,998)	(11,725)	(11,409)	(11,375)	(11,909)	(11,690)	(14,743)	(14,283)	(10,890)
(Unsubsidized Stafford)	(0)	(0)	(0)	(0)	(0)	(0)	(345)	(2,108)	(7,230)	(6,168)
(SLS)	(713)	(2,407)	(2,535)	(2,201)	(1,945)	(2,229)	(2,538)	(3,613)	(33)	(0)
(PLUS)	(345)	(574)	(819)	(970)	(1,088)	(1,284)	(1,367)	(1,592)	(1,681)	(1,618)
Subtotal	19,740	22,447	23,219	22,808	22,398	24,207	25,001	30,366	33,216	34,530
Specially Directed Aid										
Veterans	1,073	1,002	911	948	772	965	1,109	1,242	1,272	1,354
Military	494	459	429	437	419	434	420	422	422	446
Other Grants	101	122	128	132	134	176	173	174	239	168
Other Loans	316	298	332	355	345	367	411	456	404	366
Subtotal	2,101	1,976	1,885	1,943	1,718	1,979	2,141	2,313	2,342	2,329
Total Federal Aid	21,842	24,423	25,104	24,752	24,116	26,186	27,142	32,679	35,558	36,859
State Grant Programs	1,963	1,978	1,989	2,063	2,115	2,169	2,272	2,474	2,808	2,980
Institutional and Other Grants	4,618	5,011	5,005	5,941	6,552	7,361	8,000	8,576	9,172	9,828
Total Federal, State, and Institutional Aid	28,422	31,411	32,098	32,756	32,783	35,716	37,414	43,729	47,538	49,667

Notes for Table 2

Constant dollar figures are based on data in Table 1. For an explanation of constant dollar conversions, see page 14.

FIGURE 2
Estimated Student Aid by Source for Academic Year 1995–96 (Current Dollars in Millions)



Total Aid Awarde
($50,349)

Notes to Figure 2

Based on Table 1.

"Federal Loans" includes Federal Family Education Loans and Ford Direct Loans. "Other Federal Programs" includes SSIG, Military and Veterans aid, Other Grants, and Other Loans.

TABLE 3
Total Cost of Attendance and Income; Tuition and Fees

Current Dollars

	Cost of Attendance			Income	
	Private Four-Year	Private Two-Year	Public Four-Year	Disposable Personal (Per Capita)	Median Family
1986–87	9,775	6,554	3,921	13,000	29,458
1987–88	10,455	7,164	4,199	13,528	30,970
1988–89	11,660	7,459	4,455	14,457	32,191
1989–90	12,557	7,912	4,715	15,291	34,213
1990–91	13,476	8,522	5,074	16,173	35,353
1991–92	14,188	8,959	5,452	16,730	35,939
1992–93	15,028	9,520	5,834	17,606	36,812
1993–94	15,795	10,178	6,212	18,151	36,959
1994–95	16,698	10,284	6,527	18,852	38,752
1995–96	17,631	10,593	6,823	19,729	N.A.

Constant 1995 Dollars

	Cost of Attendance			Income	
	Private Four-Year	Private Two-Year	Public Four-Year	Disposable Personal (Per Capita)	Median Family
1986–87	13,392	8,979	5,372	18,082	40,973
1987–88	13,756	9,426	5,525	18,145	41,541
1988–89	14,670	9,385	5,605	18,632	41,487
1989–90	15,068	9,494	5,658	18,799	42,062
1990–91	15,326	9,692	5,771	18,852	41,209
1991–92	15,637	9,874	6,009	18,712	40,196
1992–93	16,062	10,175	6,235	19,112	39,961
1993–94	16,452	10,601	6,470	19,137	38,966
1994–95	16,910	10,414	6,610	19,371	39,819
1995–96	17,392	10,450	6,731	19,729	N.A.

Tuition and Fees

	Current Dollars				Constant 1995 Dollars			
	Private Four-Year	Private Two-Year	Public Four-Year	Public Two-Year	Private Four-Year	Private Two-Year	Public Four-Year	Public Two-Year
1986–87	6,581	3,816	1,285	657	9,016	5,228	1,761	900
1987–88	7,048	4,265	1,485	739	9,273	5,612	1,954	972
1988–89	8,004	4,411	1,578	799	10,071	5,550	1,985	1,005
1989–90	8,663	4,638	1,696	841	10,395	5,566	2,035	1,009
1990–91	9,340	4,990	1,908	906	10,622	5,675	2,170	1,030
1991–92	9,812	5,294	2,107	1,022	10,814	5,835	2,322	1,126
1992–93	10,449	5,754	2,334	1,116	11,168	6,150	2,495	1,193
1993–94	11,007	6,228	2,535	1,245	11,465	6,487	2,640	1,297
1994–95	11,719	6,128	2,705	1,310	11,868	6,206	2,739	1,327
1995–96	12,432	6,350	2,860	1,387	12,264	6,264	2,821	1,368

Notes for Table 3

Cost of attendance includes tuition, fees, and on-campus room and board costs. Because community colleges generally do not offer on-campus housing, cost of attendance figures are not reported for these institutions. Note that cost of attendance and tuition averages apply to undergraduate costs only, and are weighted by enrollment to reflect average costs to the student rather than average charges by the institution. Tuition is based on 30 semester or 45 quarter hours; room and board figures are fo academic year and assume double occupancy in a dormitory room an maximum meal plan.

Income data are for the calendar year in which the academic year begi

N.A. = Not Available.

TABLE 4
Number of Recipients and Aid Per Recipient (in Current and Constant 1995 Dollars)

Federal Pell Grant Program

	Recipients: Number (000)	Aid per Recipient: Current Dollars	Aid per Recipient: Constant Dollars
1986–87	2,660	1,294	1,773
1987–88	2,882	1,297	1,706
1988–89	3,198	1,398	1,759
1989–90	3,322	1,435	1,722
1990–91	3,405	1,442	1,640
1991–92	3,781	1,528	1,684
1992–93	4,177	1,479	1,580
1993–94	3,743	1,510	1,573
1994–95	3,675	1,502	1,521
1995–96	3,600	1,502	1,482

Federal SEOG Program

	Recipients: Number (000)	Aid per Recipient: Current Dollars	Aid per Recipient: Constant Dollars
1986–87	631	633	867
1987–88	635	659	867
1988–89	679	622	783
1989–90	728	612	735
1990–91	761	595	676
1991–92	881	565	623
1992–93	976	567	606
1993–94	1,068	529	550
1994–95	1,057	715	724
1995–96	984	588	580

Federal CWS Program

	Recipients: Number (000)	Aid per Recipient: Current Dollars	Aid per Recipient: Constant Dollars
1986–87	690	912	1,250
1987–88	686	926	1,219
1988–89	673	930	1,170
1989–90	677	980	1,177
1990–91	687	1,059	1,204
1991–92	697	1,090	1,201
1992–93	714	1,092	1,167
1993–94	712	1,084	1,129
1994–95	701	1,081	1,094
1995–96	709	864	852

Federal Perkins Program

	Recipients: Number (000)	Aid per Recipient: Current Dollars	Aid per Recipient: Constant Dollars
1986–87	716	1,067	1,461
1987–88	674	1,195	1,573
1988–89	692	1,263	1,588
1989–90	696	1,297	1,556
1990–91	660	1,318	1,499
1991–92	654	1,326	1,462
1992–93	669	1,333	1,425
1993–94	685	1,342	1,397
1994–95	663	1,464	1,482
1995–96	776	1,233	1,216

State Grant and SSIG Programs

	Recipients: Number (000)	Aid per Recipient: Current Dollars	Aid per Recipient: Constant Dollars
1986–87	1,583	876	1,227
1987–88	1,531	983	1,347
1988–89	1,554	1,016	1,337
1989–90	1,571	1,052	1,323
1990–91	1,605	1,115	1,338
1991–92	1,673	1,147	1,305
1992–93	1,652	1,229	1,354
1993–94	1,739	1,263	1,350
1994–95	1,859	1,316	1,371
1995–96	N.A.	N.A.	N.A.

TABLE 4 (continued)
Number of Loans and Amount per Loan (in Current and Constant 1995 Dollars)

Federal Family Education Loan Program

	Stafford Subsidized			Stafford Unsubsidized		
	Loans	Amount per Loan		Loans	Amount per Loan	
	Number (000)	Current Dollars	Constant Dollars	Number (000)	Current Dollars	Constant Dollars
1986–87	3,499	2,381	3,261	0	0	0
1987–88	3,595	2,537	3,338	0	0	0
1988–89	3,626	2,570	3,234	0	0	0
1989–90	3,619	2,627	3,153	0	0	0
1990–91	3,689	2,712	3,084	0	0	0
1991–92	3,889	2,778	3,062	0	0	0
1992–93	3,883	2,817	3,011	159	2,035	2,175
1993–94	4,433	3,193	3,326	742	2,730	2,843
1994–95	4,257	3,313	3,355	1,954	3,653	3,699
1995–96	3,190	3,461	3,414	1,697	3,685	3,635

	PLUS			SLS		
	Loans	Amount per Loan		Loans	Amount per Loan	
	Number (000)	Current Dollars	Constant Dollars	Number (000)	Current Dollars	Constant Dollars
1986–87	91	2,761	3,783	191	2,724	3,732
1987–88	147	2,966	3,902	629	2,907	3,825
1988–89	212	3,075	3,868	757	2,662	3,350
1989–90	257	3,140	3,768	670	2,738	3,285
1990–91	298	3,213	3,655	601	2,847	3,238
1991–92	356	3,270	3,604	690	2,932	3,232
1992–93	388	3,300	3,527	761	3,120	3,334
1993–94	337	4,535	4,723	882	3,931	4,095
1994–95	321	5,178	5,244	10	3,337	3,380
1995–96	282	5,819	5,741	0	0	0

Ford Direct Loan Program

	Stafford Subsidized			Stafford Unsubsidized		
	Loans	Amount per Loan		Loans	Amount per Loan	
	Number (000)	Current Dollars	Constant Dollars	Number (000)	Current Dollars	Constant Dollars
1994–95	304	3,672	3,719	137	3,590	3,636
1995–96	1,484	3,444	3,488	753	3,376	3,330

	PLUS		
	Loans	Amount per Loan	
	Number (000)	Current Dollars	Constant Dollars
1994–95	32	5,618	5,689
1995–96	144	5,515	5,440

Notes for Table 4

The number of 1994–95 recipients of SSIG and state grants is estimated.

Because the Department of Education reports the number of loans in the Federal Family Education and Ford Direct Loan programs rather than the number of recipients, and because a student may receive more than one loan from these programs in a given year, we report the number of loans.

1992-93 is the first year of the Stafford Unsubsidized program. 1994–95 is the last year of the SLS program and the first year loans were made by the Ford Direct Loan Program.

The numbers of loans in SLS and PLUS programs in 1985–86 had to be estimated from fiscal year data.

N.A. = Not Available.

TABLE 5

Percentage Distribution of Aid from the Federal Pell, Campus-Based, Stafford, and PLUS Programs, by Type of Institution, 1986–87 to 1994–95

	Academic Year								
Pell Grant	**1986–87**	**1987–88**	**1988–89**	**1989–90**	**1990–91**	**1991–92**	**1992–93**	**1993–94**	**Estimated 1994–95**
Public Institutions	54.4	53.3	55.3	56.9	58.1	59.8	62.0	65.9	67.8
Two-Year	(18.7)	(18.5)	(19.7)	(21.1)	(22.6)	(24.3)	(25.7)	(30.0)	(32.7)
Four-Year	(35.7)	(34.8)	(35.6)	(35.8)	(35.5)	(35.5)	(36.3)	(35.9)	(35.1)
Private Institutions	20.8	20.1	20.2	20.0	19.8	19.6	19.5	18.8	19.0
Proprietary Institutions	24.8	26.6	24.5	23.1	22.1	20.7	18.5	15.3	13.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Campus-Based Programs	**1986–87**	**1987–88**	**1988–89**	**1989–90**	**1990–91**	**1991–92**	**1992–93**	**1993–94**	**Estimated 1994–95**
Public Institutions	53.0	52.9	53.2	52.4	52.4	51.4	51.5	50.8	51.1
Two-Year	(10.1)	(10.3)	(9.8)	(9.7)	(9.6)	(9.8)	(9.7)	(9.0)	(8.9)
Four-Year	(43.0)	(42.5)	(43.3)	(42.8)	(42.7)	(41.6)	(41.8)	(41.8)	(42.1)
Private Institutions	41.8	42.0	42.0	42.5	42.7	43.3	42.9	43.4	43.8
Proprietary Institutions	5.2	5.1	4.9	5.1	4.9	5.3	5.6	5.8	5.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Fiscal Year								
Stafford Subsidized Loans	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**	**1993**	**Estimated 1994**
Public Institutions	42.1	35.1	36.4	37.8	42.2	45.9	48.3	52.5	52.6
Two-Year	(11.4)	(8.0)	(5.8)	(5.7)	(5.8)	(6.3)	(6.4)	(6.3)	(5.3)
Four-Year	(30.7)	(27.1)	(30.6)	(32.1)	(36.4)	(39.6)	(41.9)	(46.2)	(47.3)
Private Institutions	30.3	30.0	33.7	33.9	36.2	37.3	38.0	37.6	40.1
Proprietary Institutions	27.6	34.9	29.9	27.2	21.6	16.8	13.7	9.9	7.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Stafford Unsubsidized Loans	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**	**1993**	**Estimated 1994**
Public Institutions	-	-	-	-	-	-	-	66.3	42.3
Two-Year	-	-	-	-	-	-	-	(6.7)	(4.1)
Four-Year	-	-	-	-	-	-	-	(59.6)	(38.2)
Private Institutions	-	-	-	-	-	-	-	29.0	46.6
Proprietary Institutions	-	-	-	-	-	-	-	4.7	11.0
Total	-	-	-	-	-	-	-	100.0	100.0
PLUS Loans	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**	**1993**	**Estimated 1994**
Public Institutions	37.6	37.6	42.5	42.8	44.7	46.4	47.5	41.4	35.3
Two-Year	(3.2)	(3.4)	(4.1)	(3.4)	(3.4)	(3.6)	(3.7)	(2.9)	(1.4)
Four-Year	(34.4)	(34.2)	(38.4)	(39.4)	(41.3)	(42.8)	(43.8)	(38.5)	(33.9)
Private Institutions	41.2	33.9	30.9	31.4	33.5	35.2	36.1	42.1	52.1
Proprietary Institutions	21.2	28.5	26.6	25.8	21.8	18.4	16.4	16.5	12.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes for Table 5

In this table, "four-year" includes non-profit institutions offering bachelors and/or graduate degrees. "Two-year" includes non-profit institutions of any other program length from six months to three years. "Proprietary" refers to private for-profit institutions.

Prior to 1994, loan distributions were only available for fiscal, not academic, years and were based on a sample of borrowers for each year. Academic Year 1994 loan distribution figures include Stafford Subsidized, Stafford Unsubsidized, and PLUS loans made through both the Federal Family Education Loan Program and the Ford Direct Loan Program.

TABLE 6

Grants, Loans, and Work in Current and Constant 1995 Dollars (in Millions) and as a Percentage of Total Aid

Current Dollars

	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	Estimate 1995–96
Grants	9,934	10,745	11,691	13,219	14,208	16,413	18,004	18,661	20,085	21,02[illegible]
Loans	10,182	12,493	13,195	13,414	13,890	15,232	16,222	22,551	26,100	28,70[illegible]
Work	629	635	625	663	728	760	780	771	757	612
Total Aid	20,745	23,873	25,511	27,297	28,825	32,406	35,006	41,983	46,943	50,34[illegible]

Constant 1995 Dollars

	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	Estimate 1995–96
Grants	13,611	14,138	14,709	15,863	16,159	18,090	19,243	19,436	20,340	20,744
Loans	13,949	16,438	16,602	16,097	15,797	16,788	17,337	23,489	26,483	28,54[illegible]
Work	862	836	787	796	828	837	834	804	767	604
Total Aid	28,422	31,411	32,098	32,756	32,783	35,716	37,414	43,729	47,590	49,88[illegible]

Percentage

	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	Estimate 1995–96
Grants	47.9	45.0	45.8	48.4	49.3	50.6	51.4	44.4	42.8	41.8
Loans	49.1	52.3	51.7	49.1	48.2	47.0	46.3	53.7	55.6	57.0
Work	3.0	2.7	2.5	2.4	2.5	2.3	2.2	1.8	1.6	1.2
Total Aid	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes for Table 6

Based on data from Table 1.

The category "grants" includes Pell Grants, SEOG, SSIG, Veterans Benefits, Military expenditures, Other Grants, State Grant Programs, and Institutional and Other Grants. "Loans" includes all remaining programs except CWS, which makes up the "work" component.

Notes for Table 7

The 1992 reauthorization of the Higher Education Act eliminated the percent cap on college costs beginning in 1993-94.

N.A. = Not Available

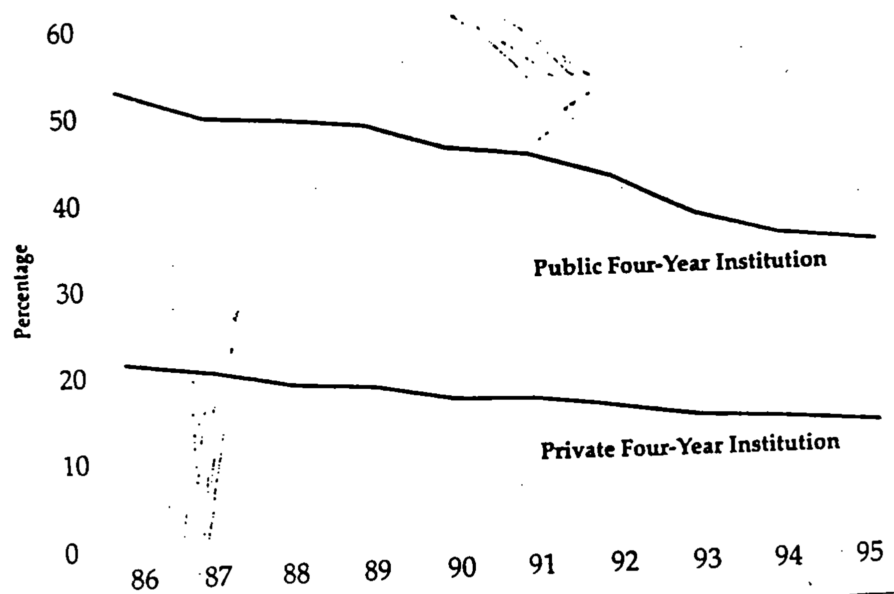
TABLE 7

Description of Federal Pell Grant Awards from 1973–74 to 1995–96

Year	Authorized Maximum Awards: Current Dollars	Authorized Maximum Awards: Constant Dollars	Actual Maximum Awards: Current Dollars	Actual Maximum Awards: Constant Dollars	Actual Minimum Awards: Current Dollars	Actual Minimum Awards: Constant Dollars	Percent Cap on Costs	Percent of Recipients Independent
1973–74	1,400	4,578	452	1,478	50	163	50	13
1974–75	1,400	4,119	1,050	3,089	50	147	50	22
1975–76	1,400	3,847	1,400	3,847	200	550	50	30
1976–77	1,400	3,634	1,400	3,634	200	519	50	38
1977–78	1,800	4,379	1,400	3,406	200	487	50	39
1978–79	1,800	4,004	1,600	3,559	50	111	50	37
1979–80	1,800	3,534	1,800	3,534	200	393	50	34
1980–81	1,800	3,167	1,750	3,079	150	264	50	41
1981–82	1,900	3,077	1,670	2,704	120	194	50	42
1982–83	2,100	3,261	1,800	2,795	50	78	50	46
1983–84	2,300	3,445	1,800	2,696	200	300	50	48
1984–85	2,500	3,603	1,900	2,739	200	288	50	49
1985–86	2,600	3,643	2,100	2,942	200	280	60	50
1986–87	2,600	3,562	2,100	2,877	100	137	60	54
1987–88	2,300	3,026	2,100	2,763	200	263	60	58
1988–89	2,500	3,145	2,200	2,768	200	252	60	58
1989–90	2,700	3,240	2,300	2,760	200	240	60	59
1990–91	2,900	3,298	2,300	2,616	100	114	60	61
1991–92	3,100	3,417	2,400	2,645	200	220	60	62
1992–93	3,100	3,313	2,400	2,565	200	214	60	62
1993–94	3,700	3,854	2,300	2,396	400	417	-	59
1994–95	3,900	3,949	2,300	2,329	400	405	-	59
1995–96	4,100	4,044	2,340	2,308	400	395	-	N.A.

FIGURE 3

The Maximum Pell Grant as a Share of Cost of Attendance



Notes to Figure 3

Based on Tables 3 and 7.

Academic Year 86=1986-87.

TABLE A

Aid Awarded to Postsecondary Students in Current Dollars (in Millions), 1963–64 and 1970–71 to 1985–86

Academic Year

Federally Supported Programs	1963–64	1970–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78
Generally Available Aid									
Pell Grants	0	0	0	0	50	357	937	1,474	1,588
SEOG	0	134	153	174	189	200	201	244	244
SSIG	0	0	0	0	0	19	20	44	60
CWS	0	227	240	266	296	295	295	436	469
Perkins Loans	114	241	312	398	433	440	460	560	615
Guaranteed Loans (FFELP)	0	1,015	1,274	1,171	1,139	1,298	1,267	1,325	1,737
Subtotal	114	1,617	1,979	2,008	2,107	2,608	3,179	4,082	4,712
Specially Directed Aid									
Social Security	0	499	570	701	784	894	1,093	1,250	1,370
Veterans	67	1,121	1,320	1,936	2,261	3,353	4,180	2,997	2,700
Military	42	64	59	55	81	95	97	101	105
Other Grants	9	16	20	27	33	57	63	67	82
Other Loans	0	42	51	57	62	59	45	47	42
Subtotal	117	1,742	2,020	2,776	3,221	4,458	5,478	4,461	4,299
Total Federal Aid	231	3,359	4,000	4,784	5,328	7,066	8,657	8,543	9,011
State Grant Programs	56	236	269	315	364	422	490	608	677
Institutional and Other Grants	270	837	942	978	1,009	1,020	1,169	1,195	1,228
Total Federal, State, and Institutional Aid	557	4,432	5,210	6,077	6,701	8,508	10,316	10,347	10,916

Federally Supported Programs	1978–79	1979–80	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86
Generally Available Aid								
Pell Grants	1,693	2,505	2,387	2,299	2,418	2,792	3,033	3,567
SEOG	266	333	368	362	343	361	374	410
SSIG	64	76	72	78	74	60	76	76
CWS	489	595	660	624	615	683	645	656
Perkins Loans	640	646	694	580	598	682	677	703
Guaranteed Loans (FFELP)	2,360	3,926	6,202	7,219	6,695	7,576	8,608	8,839
Subtotal	5,512	8,081	10,383	11,161	10,743	12,155	13,413	14,251
Specially Directed Aid								
Social Security	1,477	1,587	1,883	1,996	733	220	35	0
Veterans	2,176	1,821	1,714	1,351	1,356	1,148	1,004	864
Military	117	167	201	232	266	297	329	342
Other Grants	98	114	122	106	85	62	60	67
Other Loans	46	42	62	109	210	279	327	372
Subtotal	3,914	3,731	3,982	3,793	2,650	2,005	1,756	1,646
Total Federal Aid	9,426	11,812	14,365	14,954	13,393	14,160	15,169	15,897
State Grant Programs	726	788	801	921	1,006	1,106	1,222	1,311
Institutional and Other Grants	1,283	1,460	1,625	1,746	1,960	2,280	2,556	2,962
Total Federal, State, and Institutional Aid	11,435	14,060	16,791	17,621	16,359	17,545	18,948	20,169

Notes for Table A

Figures on military-related aid are not precisely comparable to Table 1. Armed Forces tuition assistance amounts are not available for these years, and some ROTC data are estimated. See notes to Table 1 for further details.

TABLE B

Aid Awarded to Postsecondary Students in Constant 1995 Dollars (in Millions), 1963–64 and 1970–71 to 1985–86

Academic Year

Federally Supported Programs	1963–64	1970–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78
Generally Available Aid									
Pell Grants	0	0	0	0	163	1,049	2,573	3,826	3,863
SEOG	0	513	567	618	618	588	552	633	592
SSIG	0	0	0	0	0	56	54	113	145
CWS	0	872	889	945	968	868	811	1,132	1,141
Perkins Loans	562	923	1,155	1,416	1,416	1,295	1,264	1,452	1,496
Guaranteed Loans (FFELP)	0	3,894	4,717	4,168	3,725	3,819	3,481	3,440	4,226
Subtotal	562	6,202	7,327	7,147	6,890	7,675	8,736	10,597	11,465
Specially Directed Aid									
Social Security	0	1,914	2,110	2,495	2,564	2,630	3,003	3,245	3,333
Veterans	331	4,301	4,887	6,891	7,393	9,865	11,486	7,780	6,569
Military	206	247	220	195	263	279	266	262	254
Other Grants	43	61	74	97	109	169	173	173	200
Other Loans	0	161	189	203	202	173	124	121	102
Subtotal	580	6,684	7,480	9,882	10,532	13,116	15,052	11,582	10,459
Total Federal Aid	1,142	12,886	14,807	17,029	17,421	20,790	23,787	22,178	21,924
State Grant Programs	277	905	996	1,121	1,190	1,242	1,346	1,578	1,647
Institutional and Other Grants	1,332	3,210	3,487	3,480	3,300	3,000	3,211	3,104	2,988
Total Federal, State, and Institutional Aid	2,752	17,002	19,290	21,631	21,911	25,032	28,345	26,860	26,559

Federally Supported Programs	1978–79	1979–80	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86
Generally Available Aid								
Pell Grants	3,767	4,918	4,199	3,723	3,755	4,182	4,372	4,998
SEOG	592	653	647	585	532	541	539	575
SSIG	141	150	127	126	115	90	109	106
CWS	1,087	1,169	1,161	1,010	955	1,024	930	919
Perkins Loans	1,425	1,268	1,220	939	929	1,022	976	985
Guaranteed Loans (FFELP)	5,250	7,707	10,912	11,688	10,397	11,348	12,407	12,383
Subtotal	12,262	15,865	18,267	18,072	16,682	18,206	19,333	19,966
Specially Directed Aid								
Social Security	3,286	3,116	3,313	3,232	1,138	330	50	0
Veterans	4,841	3,575	3,016	2,187	2,105	1,719	1,448	1,210
Military	260	328	353	376	413	446	475	480
Other Grants	218	224	214	171	132	92	87	94
Other Loans	103	82	109	176	326	417	471	522
Subtotal	8,707	7,325	7,005	6,141	4,115	3,004	2,530	2,306
Total Federal Aid	20,970	23,189	25,272	24,213	20,797	21,210	21,863	22,272
State Grant Programs	1,615	1,547	1,409	1,491	1,562	1,656	1,762	1,836
Institutional and Other Grants	2,855	2,866	2,858	2,827	3,043	3,414	3,685	4,149
Total Federal, State, and Institutional Aid	25,440	27,602	29,539	28,532	25,402	26,281	27,310	28,258

Notes for Table B

Constant dollar figures are based on data in Table A. For an explanation of constant dollar conversions, see page 14.

Acronyms

CWS	=	Federal College Work Study
FFELP	=	Federal Family Education Loan Program
ICL	=	Income Contingent Loan Program
FDLP	=	William D. Ford Direct Loan Program
PLUS	=	Parent Loans to Undergraduate Students
SEOG	=	Federal Supplemental Educational Opportunity Grant
SLS	=	Supplemental Loans for Students
SSIG	=	State Student Incentive Grant

Definitions

Academic Year:	July 1 to June 30
Calendar year:	January 1 to December 31
Fiscal year:	October 1 to September 30

General Notes

- Details may not add to totals due to rounding.
- Aid is reported by the academic year in which it is awarded. When necessary, fiscal year data are converted to the academic year equivalents by reassigning the July through September expenditures.
- For a more detailed description of the programs and past trends, see *Trends in Student Aid: 1963 to 1983*.

A Note on Constant Dollar Conversion

The Consumer Price Index for all urban dwellers (the CPI-U) is used to adjust for inflation. Calendar, fiscal, and academic year CPI's were used as appropriate. The base year used for constant dollar conversions in this publication is 1995, the latest year available.

Formula for Constant Dollar Conversion:

Constant (base year) Dollars =

$$\text{Current year dollars} \times \frac{\text{CPI for the base year}}{\text{CPI for the current year}}$$

Consumer Price Indexes (1982–84=100)

Calendar Year CPIs		Academic Year CPIs	
1986	109.6	1986–87	111.2
1987	113.6	1987–88	115.8
1988	118.3	1988–89	121.1
1989	124.0	1989–90	127.0
1990	130.7	1990–91	134.0
1991	136.3	1991–92	138.3
1992	140.4	1992–93	142.6
1993	144.6	1993–94	146.3
1994	148.3	1994–95	150.5
1995	152.4	1995–96	154.9

Sources

Tables 1, 2, 4, 5, 6, and 7:

Campus-Based Aid (CWS, Perkins, and SEOG)

1995–96: unpublished data and estimates from the Policy, Budget, and Analysis Staff, U.S. Department of Education.

1986–87 to 1994–95: Policy, Budget, and Analysis Staff, U.S. Department of Education, *Campus-Based Programs Annual Report* and *Distribution of Awards in the Campus-Based Program* reports.

Federal Family Education Loan and Ford Direct Loan Programs

Unpublished data from the Policy, Budget, and Analysis Staff, U.S. Department of Education.

Institutional and Other Aid

1992–93 to 1995–96: Estimated by the College Board.

1986–87 to 1991–92: unpublished data from the National Center for Education Statistics.

1984–85 to 1985–86: National Center for Education Statistics, U.S. Department of Education, *Digest of Education Statistics*, 1991, Table 299, p. 303, with modification.

Military

F. Edward Hebert Armed Forces Health Profession Scholarship amounts were obtained from the Office of the Assistant Secretary for Defense (Health Affairs). ROTC program data were obtained separately from the Air Force, Army, and Navy program offices. The Education Policy Directorate of the Office of the Secretary of Defense provided Armed Forces tuition assistance amounts.

Other Grants and Loans

The data were collected through conversations and correspondence with the officials of the agencies that sponsor the programs.

Pell

Policy, Budget, and Analysis Staff, U.S. Department of Education, *Pell Grants End of Year Report* and *Basic Grant Institutional Agreement and Authorization Report*.

SSIG and State Grant Programs

1995–96: Preliminary figures reported by 20 states with largest grant appropriations. Figures for remaining 30 states, the District of Columbia, and Puerto Rico estimated by the College Board.

1985–86 to 1994–95: 18th through 26th *Annual Survey Reports* of the National Association of State Scholarship and Grant Programs.

Veterans Benefits

Benefits Program series (annual publication for each fiscal year), Office of Budget and Finance, U.S. Veterans Administration and unpublished data from the same agency.

Table 3:

Cost of Attendance Data

The College Board's *Annual Survey of Colleges.*

Note: This is the first year *Trends in Student Aid* has reported figures from the College Board's survey. Cost of attendance figures included in previous updates were from the National Center for Education Statistics, U.S. Department of Education, *Digest of Education Statistics* and are not precisely comparable to the figures reported here.

Income Data

Median Family Income from Bureau of the Census, U.S. Department of Commerce, Current Population Reports, Series P-60, and information provided by the income section of that Department.

Disposable Personal Income, Per Capita from the Bureau of Economic Analysis, U.S. Department of Commerce, National Income and Wealth Division, Survey of Current Business.

Consumer Price Index:

The Consumer Price Index (CPI) for current and past years is from the Bureau of Labor Statistics, U.S. Department of Labor.

THE WASHINGTON OFFICE of the COLLEGE BOARD

The College Board
Educational Excellence for All Students

Lawrence E. Gladieux, *Executive Director for Policy Analysis*
Jacqueline E. King, *Associate Director for Policy Analysis*
Roberta Merchant-Stoutamire, *Administrative Associate*

This report provides the most recent and complete statistics available on student aid in the 1980s and 1990s, complementing the publication by Gillespie and Carlson, *Trends in Student Aid: 1963 to 1983* (New York: The College Board, 1983) and replacing several previously published updates. It revises figures presented earlier for the 1990s and, for the first time, gives estimates for academic year 1995–96.

Jacqueline King performed the analysis and wrote the report. Lawrence Gladieux investigated lending through non-federally guaranteed programs and provided editorial advice and assistance, and Roberta Merchant-Stoutamire conducted most of the data collection and assisted in preparation of the report. The College Board is grateful to the many staff members in public and private agencies who contributed the basic data, as well as their insights and expertise.

Notes to Figure 1

Based on Table 2.

Academic Year 86 = 1986–87.

"Federal Loans" include Federal Family Education Loans and Ford Direct Loans. "Other Federal Programs" include SSIG and all federal specially-directed aid programs.

The Washington Office of the College Board conducts research relevant to public policy issues in education. The office is located at 1233 20th Street, NW, Suite 600, Washington, DC 20036. Phone (202) 822-5900.

Additional copies of this report may be ordered for $9.00 each from College Board Publications, Box 886, New York, NY 10101-0886. Credit card orders may be placed by calling (800) 323-7155 Monday through Friday, 8 a.m. to 11 p.m. (EST). For information on standing orders, call College Board Publications Customer Service at (212) 713-8165 Monday through Friday, 9 a.m. to 5 p.m. (EST).

Printed on recycled paper.

236207

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: 8

THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

May 12, 1997

Honorable Bob Graham
United States Senate
Washington, DC 20510

Dear Senator Graham:

In response to your request at the Senate Finance Committee hearings on education, we are providing you with information on the expected enrollment response to the Administration's proposed Hope Scholarship Tax Credit and Education and Job Training Tax Deduction. We estimate the enrollment response nationally will range between 120,000 and 1.4 million additional students, with the likely response closer to the low end of this range.

I look forward to working with you and other members of the Senate Finance Committee to meet the education goals outlined in the President's FY1998 Budget.

Sincerely

Lawrence H. Summers

Enclosure

ENROLLMENT RESPONSE TO TUITION CREDITS AND DEDUCTIONS IN THE PRESIDENT'S FY1998 BUDGET

SUMMARY

The economic literature on the price elasticity of college attendance supports a broad range of expected student enrollment responses to the Hope Scholarship tax credit and tuition tax deduction. Based on these studies, we estimate the range of enrollment response by 2002 would be between 120,000 and 1.4 million additional students, with the likely response closer to the low end of this range.

OVERVIEW OF THE LITERATURE

Leslie and Brinkman (1987) survey 25 studies on student price responses conducted between 1967 and 1982. Six of these studies are appropriate for our purposes. They use a national data set (as opposed to one for a single university or state), include all institutional types (e.g. public and private, two-year and four-year), and are not marked by any obvious flaws.[1] The range of price responses for these six studies is broad. For a $100 cut (1983 dollars) in the net cost of enrollment, these studies find a 0.2 percentage point to a 1.0 percentage point increase in the enrollment rate of 18 to 24 year olds. Since about one-third of 18-24 year olds were enrolled, these partial elasticities correspond to increases in the enrollment base of 0.6 percent to 3.0 percent per $100 of additional aid. Adjusting these figures to 2002 levels and applying them to the entire population of students affected by the proposed tax credit and deduction would result in an estimated long-run increase in enrollment levels due to the proposals of about 250,000 to 1.4 million students.

Studies using more recent data on student price responses (Manski and Wise (1983), Schwartz (1986), McPherson (1991)) have suggested that student enrollment responses are larger for low-income students and either small or nonexistent for middle- and high-income students. If the above partial elasticities are applied only to students receiving the credit or deduction with adjusted gross income of $30,000 or less in 2002, and smaller (half the size of those above) elasticities are applied to all other students, then the induced enrollment estimates would fall to 150,000 to 800,000 additional students.

Why [illegible] do [illegible]?

Michael McPherson and Morton Schapiro, authors of *Making College Affordable,* have one of the most recent and widely cited studies (published in AER in 1991), and are recognized by many as the current academic experts on financial aid. Their results suggest that only low-income students' enrollment decisions are affected by financial aid incentives. McPherson and Schapiro estimate that a $100 (1983 dollars) cut in the net cost of attendance for low-income students will increase the enrollment of low-income students by 1.6 percent.[2] Adjusting their estimate to 2002

---

[1] One study is identified by the authors as flawed by identification problems.

[2] Over the last two decades, the portion of 18-24 year olds enrolled in postsecondary schools has increased from about one-fourth to slightly over one-third. Price elasticities based on older enrollment patterns can thus be expected to be higher than contemporary elasticity measures for that age group.

levels and applying it to low-income families who would receive the credit or deduction, reduces the induced enrollment figure to 120,000.

It should be noted, however, that McPherson and Schapiro's elasticity estimate is much lower than that of Manski and Wise who also estimated different enrollment responses for different income groups. Manski and Wise estimated that a $100 (1979 dollars) cut in net cost would increase enrollment by low-income students by 4.6 percent. The Manksi and Wise estimate (adjusted to 2002 levels) corresponds to an induced enrollment of 260,000 low-income students due to the tax credit and deduction. Moreover, Manski and Wise estimate significantly smaller, but positive induced enrollment effects for middle- and high-income families.

CAVEATS

A number of caveats should be emphasized:

- All the above enrollment responses apply only to the proposed tuition credit and deduction. The entire package of education proposals in the President's Budget (the Pell grant expansion in particular) would be expected to induce even greater numbers of new enrollees.

- Induced enrollment is only one way to measure increased investment in education. The tuition credit and deduction could also be expected to increase retention, increase the number of years students attend college, increase the number of students attending full-time as opposed to part-time, and allow students to choose to attend better schools.

- Almost all of the economic studies on student demand have focused on traditional students, the 18-24 year old population. All the enrollment response elasticities cited above are for this population, and yet, in today's world many students are non-traditional. They are older, some are married, and some have children. The responsiveness of these students to changes in price are not known, and these types of students would be some of the largest expected beneficiaries of the proposed credit and deduction.

- Finally, all the enrollment response studies have been based on how students would respond to changes in tuition or financial aid in the form of grants or loans. No study has considered how financial aid delivered through the income tax system, and the associated timing issues involved, might affect a student's enrollment decision.

REFERENCES

Leslie, Larry L. and Paul T. Brinkman. 1987. Student Price Response in Higher Education: The Student Demand Studies. *Journal of Higher Education*, March/April, 58:181-204

Manski, Charles F. and David A. Wise. 1983. *College Choice in America*. Cambridge, MA: Harvard University Press.

McPherson, Michael S. and Morton Owen Schapiro. 1991. Does Student Aid Affect College Enrollment? New Evidence on a Persistent Controversy. *The American Economic*

Review, March:309-318.

Schwartz, J. Brad. 1986. Wealth Neutrality in Higher Education: The Effects of Student Grants. *Economics of Education Review*, 5(2):107-117.

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **9**

According to a poll done by Penn, Schoen & Berland Associates, Inc and presented in a memo to Democratic Leadership dated June 5, the Hope Scholarship/College Tuition tax deduction program is the single most popular and politically useful tax cut among all programs being considered by Congress.

Its popularity is astounding.

Providing a tax credit of $1500 for the first two years of college and making $10,000 of college tuition tax deductible is favored by 85%, with 12% opposed. 91% of Democratic voters favor it, 90% of independent voters and 78% of GOP voters. Among men, it is favored by 83%. 81% of middle class voters favor this tax break. 79% of lower income voters favor it.

The only other tax concept that comes close is the $500 a child credit, which is favored by similar percentages. 85% favor it overall, 88% of Democrats, 78% of Republicans , and 90% of independents.

Both of these two tax cuts are seen as constituting a middle class tax cut compared to the Republican program of Capital gains and Estate tax cuts, which can still be powerful, but score lower at 72% for across the board capital gains cut from 25% to 20% and estate tax cuts which have a 50% popularity. All such polling has shown that targeted tax relief aimed at education, child-rearing and home buying is more powerful than the Republican across-the-board efforts by 2 to 1. The educational tax cut is the strongest example of targeted tax relief that is clearly identified as Democratic in nature (because of our lead in education compared to the Republicans.)

With the fight shaping up over tax cuts, the Educational and family tax cuts allow the Democrats to stand up for higher and broader access to education, middle class tax relief, and for helping parents raise their children -- three uniquely Democratic values. There is currently a 17-point gap between Republicans and Democrats on tax relief (42% give Democrats an acceptable rating and 59% give Republicans a favorable rating on the issue) -- a gap that spans across the most important suburban middle class swing electorate. Standing up for the educational and tax cuts is not only overwhelmingly popular, it also provides Democrats with a sound and convincing platform to fight against Republican tax cuts that are too broad, too expensive and not distributed to people who need it.

Penn, Schoen & Berland Associates, Inc.

805 15th Street, NW
10th Floor
Washington D.C. 20005
Tel: (202) 842 0500
Fax: (202) 289 0916

Mark Penn
Douglas Schoen
Michael Berland

From: Mark Penn
Penn, Schoen and Berland

To: Democratic Leadership

Date: June 5, 1997

The Hope Scholarship/College Tuition tax deduction program is the single most popular and politically useful tax cut among all programs being considered by Congress.

Its popularity is simply astounding:

Providing a tax credit of $1500 for the first two years of college and making $10,000 of college tuition tax deductible is favored by 85%, with 12% opposed. 91% of Democratic voters favor it, 80% of independent voters and 78% of GOP voters. Among men, it is favored by 83%. 81% of middle class voters favor this tax break. 79% of lower income voters favor it.

The only other tax concept that comes close is the $500 a child credit, which is favored by similar percentages. 85% favor it overall, 88% of Democrats, 78% of Republicans, and 90% of independents.

Both of these two tax cuts are seen as constituting a middle class tax cut compared to the Republican program of Capital gains and Estate tax cuts, which can still be powerful, but score lower at 72% for across the board capital gains cut from 28% to 20% and estate tax cuts which have a 50% popularity. All of our polling has shown that targeted tax relief aimed at education, child-rearing, home buying is more powerful than the Republican across-the-board efforts by 2 to 1. The educational tax cut is our strongest example of targeted tax relief that is clearly identified as Democratic in nature (because of our lead in education compared to the Republicans).

With the fight shaping up over tax cuts, the Educational and family tax cuts allow the Democrats to stand up for higher and broader access to education, middle class tax relief, and for helping parents raise their children – three uniquely Democratic values. There is currently a 17-point gap between Republicans and Democrats on tax relief (42% give Democrats an acceptable rating and 59% give Republicans a favorable rating on the issue) – a gap that spans across the most important suburban middle class swing electorate. Standing up for the educational and tax cuts is not only overwhelmingly popular, it also provides the Democrats with a sound and convincing platform to fight against Republican tax cuts that are too broad, too expensive and not distributed to people who need it.

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **10**

Responses to Sunday's *Washington Post* and *New York Times* articles on the Administration's higher education tax proposals

An opinion piece in Sunday's *Washington Post* and an article in Sunday's *New York Times* included strong -- and unfair -- attacks on the Administration's higher education tax proposals. For example, the *Post* piece by *Reason* editor Virginia Postrel stated that "Clinton's higher-education policies are harebrained and irresponsible, obviously concocted by people who care more about poll results than about what they might be doing to the nation's colleges or their students." Both articles include a variety of mistakes and misleading arguments, including:

Misleading criticism #1: Tax proposals will help those already attending college anyway

- University of Virginia education dean David Breneman, an economist, is quoted in the *New York Times* complaining that it is inefficient "to spend money on programs that won't change people's behavior." If this same argument were accepted in judging other tax credits currently on the table, then the child tax credit (proposed in different versions by both parties) would have to be made available only for children who would not have been born but for the new tax benefit. That is absurd. *We are not embarrassed to be cutting taxes for families who are struggling to put their children through college.*

- Whether a family sends a child to college is not the only issue that the tax credit could influence. For some families, the extra help may make a four-year college affordable instead of a two-year college. Or it may allow the student take more courses instead of working, resulting in a greater likelihood to complete a degree.

- The *New York Times* article notes that in response to the Georgia Hope Scholarship program, "enrollment has increased about 50 percent at the kind of technical schools that could be fully financed by the $1,500 tax relief Mr. Clinton's Hope Scholarships provide."

  -- "It hits me in the face every day of my life that a very significant number of people are able to go to technical institutions and get training because financing is no longer a burden to them," said Ken Breeden, who supervises that part of the Georgia program.

- The tax proposals are only one part of our higher education package. In particular, our proposed expansion of the Pell grant program -- including the largest increase in the maximum Pell grant award in two decades, and expanding eligibility for the program to an additional 348,000 students -- will help make college more affordable for nearly 4 million students from lower-income families. And our plan to make saving for college completely tax-free, as well as our proposal to cut fees on need-based Stafford loans in half -- will also help millions of American families send their children to college.

Misleading criticism #2: Our tax proposals will just lead to higher tuition

- Even Tom Kane of Harvard, who has criticized the Administration's education plan because he would prefer an even larger expansion in the Pell grant program, has written:

  "Despite fears of some of the plan's critics...I do not believe that the proposal will lead to rampant tuition inflation." ["Beyond Tax Relief: Long-Term Challenges in Financing Higher Education," page 8.]

- Any program to boost higher education has the potential to put upward pressure on tuition. But the evidence suggests that Federal aid does not have much effect on tuition costs. The Postrel piece in the *Post* notes that college tuition rose rapidly in the 1980's, but fails to recognize that real Federal aid fell during that period -- by about 1 percent per year, according to data from the College Board and the Department of Education. During the 1970's, on the other hand, real Federal aid rose by 7 percent per year -- while real tuition levels remained flat.

- The reason that Federal aid does not seem to affect tuition increases substantially is competition in the higher education marketplace. Ironically, the Postrel piece also highlights this intense competition: "...pricey but run-of-the-mill colleges are feeling competitive pressures. . . [N]umerous private colleges have cut their tuition in order to compete with nearby state schools. . . And some more selective colleges are getting price-conscious."

- Postrel draws erroneous conclusions because she assumes that the supply of college slots is fixed: In the 1980s, for example, she argued that "supply was essentially fixed." But total enrollment in higher education institutions rose by 14 percent -- from 10.5 million in 1980 to 12.0 million in 1990. Over the same period, the total number of colleges rose by more than 10 percent. *Supply is not fixed*, and competition therefore constrains the ability of colleges to raise tuition.

- Georgia's experience may illustrate the effects of competition in limiting price increases from scholarship programs. In Georgia, where the Hope Scholarship was introduced in 1993, tuition costs at public 2-year community colleges rose 13 percent -- from $937 to $1,062 -- between the 1992-3 academic year, and the 1995-6 academic year. In the nation as a whole, tuition rose 21 percent -- from $1,026 to $1,245.

- Postrel also fails to distinguish between schools currently charging less than $1,500, and those currently charging more than $1,500.

  -- Even for schools charging under $1,500, students not covered under the Hope program are likely to exert some countervailing pressure to limit tuition hikes.

  -- For schools charging more than $1,500, every dollar increase in tuition is a dollar less in after-tax income for a student with a Hope scholarship. By failing to distinguish between schools charging less than $1,500 and those charging more than $1,500, Postrel misses a key point.

-- Postrel also exaggerates the potential tuition effects at community colleges by using old (1994) data that included tuition only, rather than the tuition and required fees that would be covered by HOPE. (Postrel cited a 1994 tuition-only figure of $1,114. But average tuition and required fees in 1995-96 was $1,518 at all two-year colleges, and $1,245 at public two-year colleges).

Misleading criticism #3: Expanding college enrollment will lower quality

- Postrel accuses the President of wanting to make community colleges "an extension of high school," full of students who do not want to be there. But the Administration's plan aims to make college universally *available*, not required.

- It is incongruous for Postrel to raise her fears about masses of less-serious students signing up at community colleges, after arguing that tuition increases would negate the tax credit's impact in the first place.

Misleading criticism #4: Proposals will lead to grade inflation

- Professors already withstand pressure to raise grades for students who need to maintain a high grade point average to get into graduate school, to keep an athletic scholarship, or to receive a discount on their automobile insurance premiums. The Administration has no reason to believe that professors will prove any less capable of resisting any such pressure that may result from the B-average required to receive the second year of the Hope Scholarship.

- Postrel argues that more expensive schools lead to higher grades, because "as tuition go up, students expect 'more' for their money." This logic -- which may be wrong -- would suggest that the President's plan should lead to <u>less</u> grade inflation. Even if colleges raise tuition -- which, once again, may not occur because of competition -- the cost to students will go down as long as any tuition increase is less than the full amount of the Federal tax break. Under Postrel's logic, this lower cost to students should lead to less pressure for grade inflation.

Clinton's College Plan: Educational Inflation

By Virginia I. Postrel

Sunday, March 30 1997; Page C01
The Washington Post

Bill Clinton wants to make two years of community college an entitlement and offer a tax deduction for tuition. He demands a "new nonpartisan commitment to education" and declares that "education is a critical national security issue for our future, and politics must stop at the schoolhouse door." That declaration is, of course, backed by piles of polls showing that education handouts are popular among voters in general and women in particular. And it's tied to programs designed to make educational entitlements as much a part of middle-class life as Social Security or the home mortgage deduction.

In a seemingly unguarded moment, Assistant Secretary of Education David Longanecker blurted out the policy's true goal: bribing Generation X and its successors to back big government. "We want to make a very strong statement," Longanecker said after Clinton's State of the Union address, "that it is worth it to this country to invest in these middle-class students. We believe it will help them re-engage in civic life and make them believe that government does something for them too."

Maybe politics should stop at the schoolhouse door, but intelligent analysis shouldn't. Clinton's higher-education policies are harebrained and irresponsible, obviously concocted by people who care more about poll results than about what they might be doing to the nation's colleges or their students. They ignore the basic, well-understood dynamics of higher-education finance and indicate no knowledge of how colleges work or what challenges they face today.

The biggest such challenge is keeping the cost of college under control. Clinton's plan threatens to reverse what progress has been made in this area. College tuitions rose rapidly in the 1980s -- 2.7 percent annually for state schools and 3.9 percent for private schools, after accounting for inflation and expanded financial aid. That increase had many causes, but the most important was simple supply and demand: Supply was essentially fixed, and demand was rising. Students were willing to pay, for good reason. In crass financial terms, a college degree is an excellent investment, with an average return of around 19 percent a year after inflation.

"In almost any other unregulated market, an increase in demand against a fixed supply is sure to push up the equilibrium price," writes economist

Charles Clotfelter in "Buying the Best," a 1996 study of higher-education finances that focuses on four elite schools. "It is a distinctive feature of the market for higher eduction, however, that the supplying firms made it a practice not to charge what the market might bear, choosing instead to ration demand by electing talented and diverse student bodies who would best fit their institutional objectives. At the same time, however, the trustees and administrators of these favored institutions could not fail to observe that their admissions offices were being besieged by eager applicants, and that an unusually large tuition increase would not cool the ardor of prospective students." At all but a few elite and well-endowed schools, prices were what the market would bear -- and it could bear a lot.

But families paying full freight have started to balk at the price discrimination that charges them high prices and subsidizes scholarship students. Those shocking list prices can be misleading: A University of Chicago official notes that the typical student there pays only about half of that private school's approximately $22,000 list price. But family income is at least comparable at the publicly-funded University of Illinois, where tuition is under $3,000 a year. Families that make too much to qualify for financial aid find it hard to justify full fare at a private college.

And not every expensive private school offers a world-class, Chicago-style education. These pricey but run-of-the-mill colleges are feeling competitive pressures. Susan Lee and Daniel Roth of Forbes have documented how numerous private colleges have cut their tuition in order to compete with nearby state schools. Most are small, non-elite regional schools such as North Carolina Wesleyan, which slashed tuition by 23 percent. And some more selective colleges are getting price-conscious: Rice University is limiting increases to inflation, while Lehigh University is aiming for that goal. Even Bennington College, long the most expensive school in the country, has frozen its tuition.

So tuition increases are finally decelerating. "Although there is no evidence that the university is losing a significant number of students because of the cost of a Princeton education . . . large tuition increases in the face of the growing public concern about the overall cost of higher education would be contrary to the long term interests of the university," declared that school's budget-setting Priorities Committee, recommending a 4.9 percent increase in tuition and fees for 1996-97 -- not exactly modest, but the smallest jump in two decades.

Into this evolving situation blusters Bill Clinton, trying to buy students' love -- and that of their parents. His plan is twofold: First, he calls for making "the 13th and 14th years of education -- at least two years of college -- just as universal in America by the 21st century as a high school education is today." To do so, he would provide a $1,500-a-year tax credit for tuition, as long as the student maintains a B average. Second, he proposes a $10,000 tax deduction for any post-high-school tuition.

Unfortunately, the effect of both plans would be to push up tuition. As David Henderson notes in Fortune, the average tuition at community colleges was only $1,114 in 1994. Clinton's dollar-for-dollar tuition credit "would make college students paying less than $1,500 in tuition unconcerned about increases" because the federal government, not the student's family, would be footing the bill. In other words, the average community college tuition could rise to $2,614 before the effective cost rose at all. Pressures to keep costs down would be severely reduced. Those painless price hikes would not only give schools an incentive to increase overhead but make the tax credit all but impossible to remove, lest large numbers of people be priced out of the market.

The tax deduction is almost as bad. It lowers the cost of tuition by the tax rate -- say, 28 percent -- so that the first $10,000 of tuition actually costs only $7,200. That means those schools can go right back to jacking up tuitions. They'll still feel competitive pressure, but only after they've raised their prices to the post-bribe equivalent of today's levels. Again, the critical fact is that the supply of higher education is more or less fixed. Increasing demand simply drives up prices.

But what's truly worrisome about Clinton's education plan is his belief that two years of college should be a universal entitlement -- as common as high school and just as meaningless. Already, community colleges give too many students the education they should have gotten earlier.

By requiring a modest entry fee and maintaining the special aura of higher education, community colleges have been able to screen out the people who don't want to be in school. Many will accept anyone with a high school diploma or its equivalent; selection is based not on the student's academic record but on his or her willingness to work. As a result, students actually have a chance to learn. Their teachers do not have to worry about maintaining basic discipline or giving assignments no one will complete. Making community colleges an extension of high school would destroy their role as places that let low-income or average students enter the world of serious education.

But conditioning tax credits on a B average would go even further: It would encourage grade inflation in all freshman and sophomore classes -- and not just at community colleges. Over time, grades below a B would disappear. All colleges would have a strong economic motive to keep grades up.

In fact, Clinton's plan for tuition breaks could push grades up even without the requirement to maintain a specific GPA. Why? Because there appears to be a connection between rising tuitions and rising grades. Although less selective, less expensive public institutions still try to weed students out, grade inflation has become a major problem at elite universities with high tuitions. By allowing colleges to more easily raise tuition, the Clinton plan could spread this phenomenon from relatively exclusive private schools into universities in general.

It's well known that in the Vietnam era, professors who feared casting students out into the draft boosted grades. Less heralded, however, is the enormous jump elite-college grades have taken since the mid-'80s, the very period during which both the cost and the value of a college degree have escalated rapidly. During my years at Princeton, from 1978 to 1982, about 30 percent of grades were A's of various sorts, a level the school had maintained since a huge jump in the early '70s. Today, that figure stands at 45 percent. The pattern is repeated at similar schools.

No one knows exactly what happened to push grades up. Princeton Registrar Anthony Broh attributes the jump to pressure from students competing for graduate and professional school slots. But students at the beginning of their college careers are also more likely to be accustomed to pumped-up grades; since the mid-'80s, the high school grades of college freshmen have skyrocketed, although more students are going to college. It's not surprising that they expect -- and sometimes demand -- to do equally well in college, especially at expensive schools. As tuitions go up, students expect "more" for their money. Since most students are not budding intellectuals but pragmatic pre-professionals, "more" means a handsome transcript. If you are paying $25,000 a year, you do not expect to be handed bad grades.

But there are signs that these private universities are worried about meaningless grades. Stanford, famous even in my college years as the school with no B's, has restored the F. Dartmouth has begun reporting not just grades but the course median. Princeton is considering a similar approach.

And so Clinton`s tax credits for B's and education-as-an-entitlement philosophy can only do harm. Increasing the demand for higher education and pushing up the price will only heighten students` sense that they deserve high grades just for getting into an expensive, elite school. In fact, Clinton promises to spread that baleful attitude down to the lowliest community college, until every student in America feels he or she deserves a diploma and an A-studded transcript just for showing up. That is hardly the way "to prepare our people for the bold new world of the 21st century." We can only hope that the professor-filled GOP leadership will develop the backbone to say so.

Virginia Postrel is the editor of Reason magazine, a current-affairs monthly based in Los Angeles.

Back to the top

March 30, 1997

Educational Plans Clash Over Who Should Benefit

By PETER APPLEBOME

ATLANTA -- Audrey Dismuke of Albany, Ga., says a state Hope Scholarship saved her life.

"I would not have been able to go to school without it," said Mrs. Dismuke, a 31-year-old mother of three, who has used the Georgia scholarship program to study to become an X-ray technician at Albany Technical Institute. "It saved my life, and it saved a lot of other lives."

The Georgia program that Mrs. Dismuke extolled is the inspiration for President Clinton's wide-ranging package of college aid, which promises to expand access to education and offer the hope of economic advancement. But interviews with experts on student aid, and with students like Mrs. Dismuke who have benefited from the Georgia plan, raise serious questions whether Clinton's plan would help those who need it the most or whether it would primarily lighten the burden somewhat for those already likely to attend college.

Indeed, despite some encouraging findings from Georgia and support from many higher education groups disinclined to criticize a multibillion-dollar increase in aid to education, many experts on the left and right are increasingly skeptical of the president's proposals, particularly those that would give $38 billion in tax relief to families over the next five years.

Some also say the president's plan would be difficult to monitor and would be a boon mostly to the college and universities that need it least.

The administration contends that its plan is balanced and will help both the poor and the middle class. In addition to the tax it would include the largest increase in Pell Grants to low- and moderate-income families in two decades.

"People in today's world who are working hard and making a living, know that when it comes to educating several of their children, they are educationally poor," said Education Secretary Richard Riley. "They don't need some expert to tell them that, and they appreciate the fact that the Government is concerned about helping them."

But David W. Breneman, an economist and dean of the education school at the University of Virginia said of the proposal, "It's good politics but bad economics." He added: "On the economic side, five of us testified before Ways and Means recently and all of us had the same assessment -- you don't want to spend money on programs that won't change people's behavior. It's an inefficient way to spend public money."

He said most of the aid would go directly to colleges that would adjust financial aid to reflect the government investment.

The three main items in Clinton's proposal are $1,500 yearly tax credits called Hope Scholarships that could be used for two years of college; a tax deduction of up to $10,000 for college expenses, and a $300 increase from $2,700 to $3,000 for Pell Grants. Students need no particular grade to get the Hope Scholarship but must maintain a B average to keep it for a second year.

Under Georgia's plan, high school students who have a B average gain free tuition at state colleges and universities as long as they keep a B average there. Students can use Hope Scholarships to attend professional programs at technical schools regardless of their high school record.

The money comes from a state lottery that has provided $333 million so far to send 238,500 students to college tuition-free since the program began in 1993.

In Georgia, enrollment has increased about 50 percent at the kind of technical schools that could be fully financed by the $1,500 tax relief Clinton's Hope Scholarships provide. Typically, they enroll those on the lower end of the economic scale most in need of financial assistance.

"It hits me in the face every day of my life that a very significant number of people are able to go to technical institutions and get training because financing is no longer a burden to them," said Ken Breeden, who supervises that part of the Georgia plan.

Glenn Newsome, executive director of the Georgia Student Finance Commission, which administers the Hope Scholarships, said that Hope has changed the culture of Georgia by putting out a firm message that higher education is open to everyone, and that Clinton is trying to spread that message nationally.

And those who have benefited from Georgia's program are often supportive of any federal program, even if on a smaller scale, that would help parents pay for college.

"Clinton's plan is a lot better than nothing," said Amanda White of suburban Atlanta, who has two children attending college at state schools in Georgia under the Hope program. "My husband works every minute he can at two jobs, and there are a lot of people like us who need all the help they can get."

But in other ways, the Georgia experience does little to bolster the claims of Clinton's program.

Mrs. Dismuke of Albany is ecstatic about the Georgia program, which pays for tuition and $100 in books up front. But she was far less enthusiastic about Clinton's program of a tax credit for families who had already paid for college.

"There's no way I could have come up with $1,500 to begin with, and most people without money aren't going to understand what a tax credit will do for them -- they wouldn't even blink an eye at it," she said. "That's for people up on the income scale a little bit. I think he needs to look more at people who are lower down."

And, though it has not become a big political issue in Georgia, the Hope Scholarships here often go to those with the least financial need. Unlike the federal plan, which is phased out for families with adjusted gross income from $80,000 to $100,000, there is no income limit for recipients. At the University of Georgia, one of the state's elite institutions, 97 percent of entering in-state freshmen have Hope Scholarships.

Jessica McGregor is a 21-year-old junior from suburban Cobb County, the most affluent county in Georgia. Her mother is a real estate agent and her father works in property management, and she describes the family as upper middle class.

"I went to a high school where just about everybody goes here," she said. "There was never any question if I'd go to college. And I would have gotten A's whether or not they had the Hope program. But Hope made my decision about where to go."

Finally, the simple message of Georgia's program -- study hard in high school and college to get and keep a scholarship -- is hopelessly watered down in Clinton's program, experts say.

"One of the biggest differences between the programs is that high school students in Georgia have an incentive to perform better in high school that's not there in the president's plan," said Gary T. Henry, a professor of policy studies at Georgia State University, and author of a study of Georgia's plan. "In the long run I believe the incentive for high school students is a far more powerful engine for educational change than the incentive at the college level."

Still, the difference between the programs get to the basic debate about the president's program -- should it be one that is focused primarily on improving access to education or one with a broader scope?

Merle Black, a professor of politics and government at Emory University, said Georgia's program makes more sense than Clinton's precisely because it targets high achievers already destined for college.

"When you come down to it, public policy really ought to benefit without regard to race or income those most likely to benefit from exposure to higher education," he said. "It goes against the grain of what's politically correct, but the best investment for society is probably in best educating the next generation of leaders."

Riley says the administration's approach strikes a balance between aiding those with the most need and middle-class families.

But given limited resources and the growing gap in college attendance between rich and poor, and absent the huge pool of lottery money that has become a painless way to finance Georgia's program, Clinton's plan is certain to face withering scrutiny, even from those most supportive of expanded aid to higher education.

"We understand and respect the need for some kind of alleviation of the burden for middle-income families, but when you're talking about the difference between having access to school and not having access, I think we have to focus most on those with the most need," said Erica Adelshein, legal director for the U.S. Student Association, the nation's oldest and largest student association.

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **11**

The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

President Clinton's Higher Education Initiative with State-by-State Analysis

March 20, 1997

Table of Contents

President Clinton's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

TODAY, THE PRESIDENT WILL SEND TO CONGRESS NEW LEGISLATION TO HELP OPEN THE DOORS OF COLLEGE TO MORE AMERICANS. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 -- part of President Clinton's five-year balanced budget -- includes a $10,000 tuition tax deduction, a $1,500 Hope Scholarship tax credit, a substantial Pell Grant expansion and increase, a cut in student loan fees, new educational assistance from employers, and other provisions. The new legislation provides:

√ **$38.4 billion over five years in tax relief** for middle-income families struggling to pay for college and make ends meet.

√ **At least $40 billion in Pell Grants** over five years to provide more tuition assistance to low- and moderate-income families, the largest increase in two decades.

√ **$2.6 billion in savings over five years in reduced loan fees** for student loan borrowers -- putting more money into the hands of students when they pay tuition bills and other college expenses.

√ **Financial support for worker training** through the tuition deduction and the extension of the tax-free treatment of up to $5,250 per employee in employer-provided educational assistance.

KEY ELEMENTS OF THE HOPE ACT OF 1997

- **Includes a $1,500 per student HOPE Scholarship tax credit** for tuition and fees in the student's first year and another $1,500 in the second year if the student earns at least a B minus average. That credit will help 4.2 million students in 1998.
- **Provides a $10,000 tuition tax deduction** for higher education and training, which is expected to help the families of 8.1 million students in 1998.
- **Provides the largest Pell Grant increase in two decades** -- from $2,700 in FY 1997 to $3,000 in FY 1998. Over 3.6 million students now eligible will receive an increase of up to $300. This increase and other changes will make an additional 348,000 families eligible for the grant.
- **Lowers fees and reduces interest rates for millions of student borrowers.**

OVER 250 COLLEGE PRESIDENTS EXPRESS SUPPORT FOR THE PRESIDENT'S HIGHER EDUCATION PLAN. Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for the President's higher education initiatives.

NEW STATE-BY-STATE ANALYSIS SHOWS EVERY REGION OF THE COUNTRY BENEFITTING FROM THE HOPE ACT. For the 1998-99 academic year, these proposals will provide nearly $1.7 billion in Federal benefits for students in California, and over $300 million for students in Virginia.

Benefits to Students under Hope and Opportunity for Postsecondary Education Act of 1997

(dollars in millions)

State	Total Pell Budget Authority in Award Year 1998-99	Combined Tax Benefits for Calendar Year 1998	Cut in Student Loan Fees for Award Year 1998-99	Total Benefits for Award Year 1998-99
Alabama	$144.2	$92	$5.8	$242.0
Alaska	8.7	13	0.3	21.9
Arizona	135.8	115	10.3	261.1
Arkansas	76.3	37	3.0	116.3
California	873.8	777	46.0	1696.7
Colorado	98.2	103	8.5	209.6
Connecticut	47.2	70	5.2	122.3
Delaware	10.4	20	1.0	31.4
District of Columbia	19.8	35	6.4	61.2
Florida	358.5	260	19.5	638.0
Georgia	168.8	125	11.6	305.4
Hawaii	14.5	29	0.8	44.2
Idaho	40.8	24	2.2	67.1
Illinois	275.1	314	20.0	609.0
Indiana	139.0	122	11.1	272.1
Iowa	93.0	71	8.4	172.4
Kansas	82.3	71	4.6	157.9
Kentucky	125.6	72	5.6	203.3
Louisiana	175.9	78	9.1	263.0
Maine	28.1	24	2.2	54.3
Maryland	99.0	114	6.1	219.1
Massachusetts	153.1	180	18.9	352.0
Michigan	248.7	231	15.3	495.0
Minnesota	128.9	121	9.6	259.6
Mississippi	111.4	45	3.7	160.2
Missouri	146.5	122	11.2	279.7
Montana	34.2	15	1.9	51.1
Nebraska	50.4	49	3.9	103.4
Nevada	15.9	28	1.1	45.0
New Hampshire	23.5	27	2.7	53.1
New Jersey	145.5	143	7.9	296.4
New Mexico	64.6	41	2.5	108.1
New York	744.6	422	42.6	1209.2
North Carolina	157.4	157	10.8	325.1
North Dakota	28.4	16	1.8	46.2
Ohio	288.4	226	20.7	535.1
Oklahoma	129.8	73	6.1	208.9
Oregon	74.8	69	5.8	149.6
Pennsylvania	294.7	256	27.9	578.6
Puerto Rico	412.3	--	2.6	414.9
Rhode Island	32.2	32	3.5	67.6
South Carolina	94.3	71	5.5	170.8
South Dakota	29.9	14	1.9	45.8
Tennessee	136.9	99	8.1	244.0
Texas	495.7	395	25.1	915.8
Utah	82.1	59	3.2	144.3
Vermont	16.2	15	2.2	33.4
Virginia	143.8	151	11.4	306.2
Washington	132.7	120	8.9	261.7
West Virginia	59.2	35	3.0	97.2
Wisconsin	115.7	130	8.5	254.3
Wyoming	16.1	13	0.7	29.9
Outlying Areas	12.1	0	0.0	12.1
TOTAL	$7,635.0	$5,921.0	$466.5	$14,022.5

Pell Benefits to Students under the President's FY1998 Budget Policy

(Recipients in thousands, dollars in millions)

State	Total Pell Recipients in Award Year 1998-99	Increase in Pell Recipients From Award Year 1997-98	Total Pell Budget Authority in Award Year 1998-99	Increase in 1998 Pell Budget Authority from 1997
Alabama	79.3	6.9	$144.2	$32.4
Alaska	4.6	0.4	8.7	1.9
Arizona	72.7	6.3	135.8	30.5
Arkansas	39.1	3.4	76.3	17.2
California	431.6	37.5	873.8	196.4
Colorado	53.7	4.7	98.2	22.1
Connecticut	26.9	2.3	47.2	10.6
Delaware	6.1	0.5	10.4	2.3
District of Columbia	10.6	0.9	19.8	4.5
Florida	189.5	16.4	358.5	80.6
Georgia	99	8.6	168.8	37.9
Hawaii	7.7	0.7	14.5	3.3
Idaho	21	1.8	40.8	9.2
Illinois	149.7	13	275.1	61.8
Indiana	77.4	6.7	139.0	31.2
Iowa	51.8	4.5	93.0	20.9
Kansas	45.2	3.9	82.3	18.5
Kentucky	65.2	5.7	125.6	28.2
Louisiana	86.2	7.5	175.9	39.5
Maine	15.2	1.3	28.1	6.3
Maryland	55.1	4.8	99.0	22.3
Massachusetts	82.1	7.1	153.1	34.4
Michigan	138.6	12	248.7	55.9
Minnesota	73.9	6.4	128.9	29.0
Mississippi	54.8	4.8	111.4	25.0
Missouri	80.5	7	146.5	32.9
Montana	17.5	1.5	34.2	7.7
Nebraska	29.3	2.5	50.4	11.3
Nevada	9.1	0.8	15.9	3.6
New Hampshire	13.2	1.1	23.5	5.3
New Jersey	75.7	6.6	145.5	32.7
New Mexico	33.7	2.9	64.6	14.5
New York	369.5	32.1	744.6	167.3
North Carolina	85.9	7.5	157.4	35.4
North Dakota	15	1.3	28.4	6.4
Ohio	158.3	13.7	288.4	64.8
Oklahoma	67.8	5.9	129.8	29.2
Oregon	40.5	3.5	74.8	16.8
Pennsylvania	156.4	13.6	294.7	66.2
Puerto Rico	180.5	15.7	412.3	92.7
Rhode Island	17.9	1.6	32.2	7.2
South Carolina	53.1	4.6	94.3	21.2
South Dakota	16.2	1.4	29.9	6.7
Tennessee	72.7	6.3	136.9	30.8
Texas	266.4	23.1	495.7	111.4
Utah	46	4	82.1	18.4
Vermont	9.3	0.8	16.2	3.6
Virginia	79.4	6.9	143.8	32.3
Washington	69.6	6	132.7	29.8
West Virginia	29.7	2.6	59.2	13.3
Wisconsin	64.5	5.6	115.7	26.0
Wyoming	8.7	0.8	16.1	3.6
Outlying Areas	6	0.5	12.1	2.7
TOTAL	**4,009.4**	**348**	**$7,635.0**	**$1,716.0**

Explanation of State-by-State Tables

Table 1 -- Benefits to Students under the HOPE Act

The first column provides the total estimated Pell Grant funding in the 1998-99 academic year for students attending postsecondary institutions in the State.

The second column provides the total estimated reduction in taxes (as a result of the HOPE Scholarship and the higher education tax deduction) in the 1998 calendar year for students attending postsecondary institutions in the State.

The third column provides the total estimated reduction in loan fees in the 1998-99 academic year for students and parents attending postsecondary institutions in the State.

The final column is a total of the first three columns: **the total benefit for students in the State.**

Table 2 -- Pell Grant Benefits to Students

For students attending postsecondary institutions in the State in the 1998-99 academic year:

- the first column shows the number of Pell Grant recipients;
- the second column shows the increase in the number of recipients over the previous year;
- the third column shows the total Pell Grant funding; and
- the fourth column shows the increased Pell Grant funding over the previous year.

Methodology of State-by-State Analysis

Pell Grant Budget Authority for Academic Year 1998-99
Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

Combined Tax Benefits for Calendar Year 1998
Using a nationally-representative sample of postsecondary students, we first determined the likelihood of a Pell and non-Pell recipient receiving a tax benefit. Using these data and the Pell Grant distributions discussed above, we estimated the number of students that would receive a tax benefit in each state. We then used this relative distribution of tax beneficiaries to allocate calendar year 1998 benefit amounts ($5.9 billion) among the States.

Cuts in Student Loan Origination Fees for Academic Year 1998-99
Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State. Two percent of Stafford (subsidized) loan volume and one percent of unsubsidized loan volume equal the estimated student savings by State.

Highlights of the
Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

INITIATIVE	DESCRIPTION	AMOUNT	IMPACT
Title I: Higher Education Tax Incentives			
HOPE Scholarship Tax Credit	Up to $1,500 per-student tax credit for tuition and fees in student's first year and another $1,500 in the second year if student earns at least a B- average.	$18.6 billion over five years.	Expected to help 4.2 million students in 1998.
$10,000 Tax Deduction for Higher Education and Training	Phases up from $5,000 in 1997 to a $10,000 maximum deduction in 1999 for tuition and fees. Also available for training and lifelong learning.	$17.5 billion over five years.	Expected to help 8.1 million students in 1998.
Tax-Free Education Savings*	Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.	Education specific estimates not available.	Combined with tax deduction, IRA used for education will never be taxed. Will make over 20 million families eligible for such a benefit.
Educational Assistance from Employers	Extends tax exclusion for employer-provided education assistance through 2000, for both undergraduate and graduate education. Also provides tax credit to small businesses.	$2.4 billion between 1997-2001.	Benefits 1.7 million employees a year.
Community Service: Loan Forgiveness	Tax relief for community service loan forgiveness and for borrowers who repay through the income contingent repayment plan for 25 years.	$15 million over five years.	Not available.
Title II: Financial Aid for Needy Students			
Pell Grant Increase and Expansion	Largest increase in two decades -- from $2,700 in FY97 to $3,000 in FY98. Combined with the FY97 increase, the maximum grant has increased $530 since FY96.	At least $40 billion over five years. $1.7 billion more in 1998 than the FY97 appropriation -- a 25% increase in aid.	Over 3.6 million students now eligible will receive an increase up to $300. This increase will also make an additional 130,000 families eligible for the grant.
Pell Grant Expansion for Older, Low-Income Students	Increases eligibility for older, low-income students to receive a Pell Grant.	$3.9 billion over five years.	An additional 218,000 low-income students generally aged 24 or over will be newly eligible for Pell Grants. The new recipients will receive, on average, a grant of $1,431.
Cut in Student Loan Fees	Cuts loan fees from 4% to 2% on need-based Stafford loans -- and to 3% on other loans for students and parents.	$2.6 billion in savings for borrowers over five years	Loan fees will be cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans.

*The IRA proposal is not part of the HOPE Act but will be transmitted to Congress separately.

Summary of the Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

Today's employers look for job applicants with more than a high school diploma. Since the success of the post-World War II GI Bill, the Federal Government has expanded college aid, making it possible for more Americans to attend college. But for too many, the financial strains of continuing their education are still severe. The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 ensures that these barriers to higher education continue to fall for all Americans and provides tax relief for middle-income families struggling to pay for college.

Title I: HIGHER EDUCATION TAX INCENTIVES

HOPE Scholarship Tax Credits

- Up to a $1,500 per student credit for tuition and fees for course work beginning on or after July 1, 1997.
- Credit can be claimed in two tax years for any student who has not finished 13th and 14th years of education.
- The tax credit is expected to help 4.2 million students (1998), and would save families $18.6 billion over five years.

The non-refundable tax credit is available for students enrolled on at least a half-time basis during the first two years of postsecondary education. The credit may be claimed in no more than two years. To receive the credit for the second time, the student must have at least a B minus grade point average in course work completed before that year. Federal grants (but not loans or work-study) generally would reduce the allowable tax credit. No credit would be available for any student convicted of a drug-related felony.

The credit would be phased out for taxpayers filing a joint return with adjusted gross income between $80,000 and $100,000. For taxpayers filing single and head-of-household returns, the credit would be phased out for adjusted gross income between $50,000 and 70,000. (The phase-out ranges and the amount of the credit would be indexed).

Tax Deduction for Higher Education and Training

- $10,000 per family maximum deduction for lifelong learning ($5,000 maximum in 1997 and 1998).
- Available for job training and re-training, in addition to traditional undergraduate and graduate education.
- Deduction is "above the line" -- available even if the taxpayer does not itemize.
- Expected to help 8.1 million students (1998), and would save families $17.5 billion over five years.

The deduction could be claimed for out-of-pocket tuition and fees paid for any student enrolled at least half-time in a degree or certificate program, including graduate programs, at an eligible postsecondary institution. In addition, the deduction would be available for the cost of training -- whether or not it leads to a degree -- that helps the student, older worker, or job-seeker improve or acquire job skills. A student in the first two years of postsecondary education could choose either the credit or the deduction, but not both. The deduction phases in, beginning with a $5,000 maximum per family for payments made after December 31, 1996 to cover course work beginning on or after July 1, 1997. It increases to a $10,000 maximum deduction beginning in 1999. The deduction would be phased out at the same income levels as the credit.

*Tax-free Education Savings**

- Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.
- Combined with tuition deduction (above), the IRA savings spent by middle-income families on tuition and fees would never be taxed.

* As part of his balanced budget plan, the President has proposed a number of changes to IRAs to make it possible for families to use them to pay for education tax-free. Although the specific legislation providing for these changes is not included in the HOPE Act, it will be transmitted to Congress soon.

The President's budget plan would allow IRAs to be used for postsecondary education expenses free from early withdrawal tax penalties, and would make over 20 million families eligible to make tax-deductible IRA contributions. Currently, if an individual (or spouse) already participates in an employer's retirement plan, eligibility is phased out for taxpayers filing a joint return with adjusted gross income between $40,000 and $50,000 (between $25,000 and $35,000 for single filers). The proposal would expand the phase-out ranges for 1997 through 1999 to $70,000 to $90,000 for joint filers ($45,000 to $65,000 for single). Beginning in 2000, the phase-out range would match the ranges described for the higher education tax credit. The proposal would also create a special IRA that could be used to save for education and other needs, subject to the same income limits.

Educational Assistance from Employers

- Extends tax exclusion for employer-provided education assistance (Section 127) through the year 2000, for both undergraduate and graduate education.
- Tax credit to encourage small businesses to offer educational assistance to employees.
- Benefits 1.7 million employees a year.

The current exclusion from an employee's income of up to $5,250 per year of postsecondary educational assistance provided by an employer expires this year, and expired for graduate-level assistance last year. The President would extend the exclusion, and reinstate the graduate-level component, through the year 2000. In addition, for 1998-2000, small businesses would be given a new incentive to provide educational assistance to their employees through a ten-percent tax credit for amounts paid under an employer-provided educational assistance program for education provided by a third party.

Community Service: Loan Forgiveness

- Tax-free loan cancellation for public service and forgiveness under the income contingent repayment plan.

Under current law, a charity or private educational institution that forgives a loan as part of a program that enables graduates working in certain professions (such as rural medicine or teaching) to pay off their student loans through community service must report the loan forgiveness as income to the graduate. This proposal would exclude the loan forgiveness from an individual's income and clarify that the same treatment would be provided for forgiveness under the income contingent loan repayment plan for direct loans.

Title II: FINANCIAL AID FOR NEEDY STUDENTS

Pell Grant Increase and Expansion

- Largest increase in Pell Grants in two decades.

- $300 boost in the Pell Grant maximum, to a $3,000 maximum award. Since FY 1996, the maximum award will have increased $530.

- A 25 percent funding increase over last year -- $1.7 billion more than the FY 1997 appropriation.

- 3.6 million students now receiving Pell Grants will be eligible to receive an increase of up to $300. The increase will make 130,000 more moderate-income families eligible for the grant.

- Older student provision will make Pell Grants available to additional 218,000 low-income students generally aged 24 or over.

- With these changes, the number of Pell Grant recipients will exceed 4 million in FY 1998.

- At least $40 billion available for Pell Grants for needy students over five years.

Pell Grants are the foundation of student aid for low- and moderate-income families. Increasing the maximum award to $3,000 provides more aid to currently eligible students, and makes an additional 130,000 students eligible for the grants. In addition, the proposal would increase the eligibility of older, low-income students. With this change, more low-income students who are 24 years old or older and financially independent from parents would receive a Pell Grant. Pell Grants are particularly beneficial for low-income students who have little or no tax liability because of the high award level and its availability for all four years of undergraduate education.

Cut Student Loan Fees and Interest

- Borrower-paid loan fees cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans to student and parent borrowers.

- $2.6 billion in borrower savings over five years produced by the fee cut alone.

- Interest rate during in-school period cut for 2 million students, saving them an additional $1 billion.

Before 1993, borrowers lost up to 8 percent of their student loans in required fees before the money ever reached them. In 1993, the President's aggressive student loan reforms spurred a 50 percent cut in allowable fees that has already saved families nearly $2 billion. The President's plan proposes -- for both the Direct and guaranteed loan programs -- to cut loan fees from 4 percent to just 2 percent on need-based Stafford loans, and to 3 percent on other loans for students and parents.

The Congressional Budget Office and other analysts have noted that lender costs during the in-school period -- when students are not required to make payments on their loans -- are very low. The budget reduces the interest rate during that period by one percentage point.

The proposal provides these benefits to students while saving taxpayers $3.5 billion over five years by streamlining the guaranty agency system to make it more efficient and cost effective and by eliminating excess lender profits.

College Work-Study*

- Budget funds 1 million College Work-Study slots by the year 2000.

- Incentives to reach the goal of 100,000 work-study reading tutors by 1999.

The President's 1998 budget also increases aid for students through subsidized jobs in the College Work-Study program. The President has called on colleges to commit half of the increased funding since FY 1996, $120 million for FY 1998, to supporting community service jobs. The Secretary of Education recently waived the institution's required portion of the awards for students that participate as reading tutors -- part of America's Reading Challenge, helping to ensure that every child can read independently and well by the end of third grade. The President's budget is on a path to achieve the President's goal to raise the number of Work-Study recipients to a million by the year 2000, and 100,000 reading tutors by 1999.

* College Work-Study proposal is included in the President's budget request and appropriations language but not in the HOPE Act.

Case Studies:
How the President's Higher Education Proposals Benefit Typical American Families

Two Examples of How to Save for College Tax-Free

Taken together, the Administration's proposal to allow penalty-free withdrawals from IRAs for college tuition and the tuition tax deduction allow families to save tax-free for their children's education. Families pay no income taxes on money they contribute to an IRA, and the interest accumulates tax-free. Under the Administration's proposal, families would be allowed to withdraw money from their IRA to pay higher education expenses without paying the usual excise tax. And because they can deduct tuition expenses of up to $10,000 per year from taxable income, they will not have to pay the income tax normally due on IRA withdrawals. *This adds up to tax-free saving for college.*

The following examples demonstrate how the Administration's proposals help families save for their children's college tuition:

Example 1
$35,000 Family Income

A family with combined income of $35,000 per year in a 15% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away almost $1,090 per year *after taxes*. That means that they need to earn more than $1,280 per year *before taxes*, **a difference of $325 per year to reach the same savings goal.**

Example 2
$60,000 Family Income

A family with combined income of $60,000 per year in a 28% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before-tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away $1,220 per year *after taxes*. That means that they need to earn nearly $1,700 per year *before taxes*, **a difference of almost $750 per year to reach the same savings goal.**

Four Examples of How the HOPE Act Works

The tax liabilities used in the following four examples are based on the personal exemption, standard deduction and the beginning point for the 28 percent rate bracket assumed to be in effect in 1998, the first year the increased Pell Grants will be available under the President's proposal. Under the proposal, the maximum tuition deduction for 1998 is $5,000. It is $10,000 for years thereafter. Tax liabilities are estimated on the assumption that itemized deductions of 18 percent of adjusted gross income are claimed if that amount exceeds the standard deduction.

Example 3
$60,000 Family Income
Married Couple With One Child in College
1998 Benefit: $1,500

Larry and Jill O'Neill are a married couple with two children. Larry and Jill earn $60,000 in 1998. They claim both children as dependents because they provide more than half of their support. Bobby, the O'Neills' older child, enrolls as a freshman in a community college in the fall of 1998 and is charged $1,500 in tuition and required fees. Bobby's parents pay his tuition. Under the President's proposals, the O'Neill are entitled to a HOPE Scholarship tuition credit of $1,500. (Because a credit is being claimed for Bobby's freshman year, his grade point average does not affect his eligibility for the credit.) The credit reduces their tax liability by $1,500. **Thus, the O'Neills get a total benefit of $1,500 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $1,500	Tuition cost: $1,500
Pell grant: $0	Pell grant: $0
Tax liability: $5,760	Tax liability: $4,260

Example 4
$10,000 income
Independent College Student
1998 Benefit: $3,458

Joe Jefferson is a college freshman in the fall of 1998. He is single and supports himself. He earns $10,000 in 1998. In September 1998, Joe enrolls in college and pays $3,025 in tuition and required fees for the fall semester. In December he is charged $3,025 in tuition and fees for the spring semester. Under the President's proposals, Joe is entitled to a Pell grant of $3,000 that he uses to pay part of his tuition. He pays the remaining $3,050 with a combination of savings and loans. Under the President's proposals, he is entitled to a tuition deduction for his $3,050 payment. The deduction reduces Joe's tax bill by $458, which is more than his total tax liability for the year. **Thus, Joe gets a total benefit of $3,458 from the President's proposals, $3000 in Pell Grants and $458 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,050	Tuition cost: $6,050
Pell grant: $0	Pell grant: $3,000
Tax liability: $458 (less $3 EITC)	Tax liability: $0 (plus $3 EITC refund)

Example 5

$30,000 Family Income

Married Couple with One Child in College

1998 Benefit: $1,050

Victor and Susan Montoya are a married couple with one child, Maria. Tom and Susan earn $30,000 in 1998. They claim Maria as a dependent because they provide more than half of her support. Maria attends college for two semesters in 1998 and is charged $6,850 in tuition and required fees at the beginning of the year. Under the President's proposals, Maria receives a Pell grant for $1,850. Her parents pay $1,000 of her tuition. She pays the rest of the tuition bill with a combination of savings and loans. Under the President's proposals, the Montoyas are entitled to a tuition deduction for the $5,000 their family has paid in tuition and required fees. The deduction reduces the Montoyas' tax bill by $750. **Thus, the Montoyas get a total benefit of $1,050 from the President's proposals, $300 in additional Pell Grants and $750 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,850	Tuition cost: $6,850
Pell grant: $1,550	Pell grant: $1,850
Tax liability: $2,220	Tax liability: $1,470

Example 6

$90,000 Family Income

Married Couple With Two Children in College

1998 Benefit: $1,450

Paul and Debbie Green are a married couple with two children, David and Barbara. Paul and Debbie have income of $90,000 in 1998 (including income from an IRA withdrawal, described below). They claim David and Barbara as dependents because they provide more than half of their support. In 1998, David is enrolled in college for the second semester of his junior year and the first semester of his senior year. Barbara is enrolled in the second semester of her freshman year and the first semester of her sophomore year. At the beginning of 1998, Barbara has a B+ grade point average. David's bill for tuition and required fees is $5,000, and Barbara's is $1,500. Paul and Debbie pay their children's tuition and required fees with a combination of savings, including $2,000 they withdraw from their IRAs, and loans. Under the President's proposals, they avoid any penalty for early withdrawal from their IRAs, and they are entitled to a credit of $750 for Barbara's tuition and a deduction of $2,500 for David's tuition. (Because their income places them in the middle of the $80,000 to $100,000 phase-out range, they claim half the maximum credit and deduction.) The credit and the deduction reduce their tax liability by $1,450. **Thus, the Greens get a total benefit of $1,450 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,500	Tuition cost: $6,500
Pell grant: $0	Pell grant: $0
Tax liability: $12,128	Tax liability: $10,678
Penalty for early withdrawal: $200.	

COLLEGE AND UNIVERSITY PRESIDENTS SUPPORT PRESIDENT CLINTON'S HIGHER EDUCATION INITIATIVE

Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for President Clinton's higher education initiatives.

- 70 community college presidents and 280 community college trustees signed the American Association of Community Colleges and Trustees letter of support for the President's higher education initiatives
- 105 private college presidents joined the president of Dickinson College in signing a letter of support for the President's initiatives
- 23 California State University presidents joined the Chancellor of the California State University System in a letter of support for the President's initiatives
- 63 Christian college presidents signed the Coalition for Christian Colleges & Universities letter commending the President for his higher education efforts
- The American Council on Education Board of Directors, which represents 1,700 college and university presidents, passed a resolution in support of the President's initiatives
- The National Association of Student Financial Aid Administrators, representing over 3,100 colleges and universities, expressed support for the President's initiatives

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

12

Divider Title: ______________________________

Georgia's Hope Scholarship Evolves

In the past three years, nearly a quarter-million Georgia high school students have earned Hope Scholarships that reward high grades with college tuition.

Although only 40 percent maintain their scholarship eligibility with a "B" average in postsecondary school, a total of 60 percent are finding ways to stay in school, according to data collected by the Georgia Council for School Performance, a group established to study the effects of lottery-funded education programs.

Gary Henry, a professor of policy studies at Georgia State University who does research on Hope Scholarships for the state, said even students who don't earn the "B" average continue their education because they realize they can succeed in college.

A new study released last week by the council also found that Hope Scholarship recipients, on average, have higher college GPAs and take more credit hours.

Driving Up Achievement

"There's not a parent in this state who does not know that their children need to get a 'B' average" in high school to qualify for the scholarship, said Charmaine Moore, associate director of the Hope Scholarship program.

The result has been students with better academic records vying for spots in the state's universities.

Around college admissions time, Henry said, long-time Georgia families are upset that their "C" students aren't accepted at one of the big state schools. "It makes it harder for solid 'C' students to get into the universities their parents went to," he said.

Henry added that neighboring states, such as Tennessee, have complained that they're not getting Georgia's high-achieving students anymore because they choose to stay home to use the Hope Scholarship, which can be used only for in-state schools.

Increased expectations have expanded the number of students making the grades needed to be eligible for the awards, the council's study says, noting that 236,301 students already have taken advantage of the program.

When the scholarships were first awarded in 1994, family income for eligibility was capped at $60,000, then increased to $100,000, and ultimately was eliminated.

For the 1997-98 academic year, older, nontraditional students may earn a scholarship after completing one year of postsecondary studies and maintaining a "B" average.

And by 2000, high school students will have to hold a "B" average from core academic courses, not their entire high school class load.

The study Henry conducted in 1995 found that 44 percent of students wouldn't have qualified for the scholarships if the core curriculum requirement had been in place.

He also found that the average student is 7 percent more likely to remain eligible for the scholarship after taking more rigorous high school courses.

"One possible benefit of raising academic standards is that it will raise the academic expectations of college-bound high school students," the report said.

Henry said the council has just launched a longitudinal study of 2,000 middle school parents and students to see how much of an impact the scholarship's grade requirement has on student achievement. —Rebecca S. Weiner

CPI
Capitol Publications Inc.

Published every business day by Capitol Publications Inc. (ISSN: 0013-1261), P.O. Box 1453, Alexandria, Va. 22313-2053; Editorial: (703)683-4100; Subscriber Services: (800)655-5697; Publisher: Cynthia Carter • Executive Editor: Annette Licitra • Managing Editor: Amy Beth Miller • Associate Editor: Dave Harrison • Editorial Staff: Dave Boyer, William J. Cahir, Matthew Dembicki, Laureen Lazarovici, Regina Lightfoot-Clark, Rebecca S. Weiner, Pam Moore, Brenda Cordwell • Annual subscription rate: $598. • Six-month subscription rate: $352.

Hope

Black enrollment at college on rise

Georgia outpaces nation as HOPE helps fuel boom

By Gail H. Towns
STAFF WRITER C1

Over the last 10 years, black enrollment at Georgia's public colleges has doubled, far outpacing national growth rates among both blacks and whites.

College educators say there is no single explanation for the boom, which shows no signs of slowing. Instead, they point to several factors, such as the availability of more financial aid, including lottery-funded HOPE scholarships and special efforts to expose black children to colleges earlier.

Black enrollment in Georgia's public colleges grew from 21,824 students in 1986 to 43,609 in 1996, a 99.8 percent increase. During the same period, white enrollment in state schools grew 22 percent, from 120,264 to 146,607 students.

"One of the things we cannot overlook in Georgia is HOPE," said Joseph Silver, a state vice chancellor who has helped develop a statewide program to encourage high school and middle school students to go to college.

"It's really opened up doors for students that could not formerly afford to go to school. Now if a student does what he or she is supposed to do, they'll see that they can get it and go to college."

Black enrollment in Georgia is increasing more than twice as fast as it is throughout the country. Recent figures released by the New York-based College Fund/UNCF found that black enrollment at U.S. colleges and universities grew by about 40 percent from 1 million students in 1976 to more than 1.4 million in 1994, the latest year for which all figures were available.

During the same period, national enrollment among whites rose to 10.4 million — an increase of about 15 percent.

In sheer numbers, DeKalb College has seen the largest gain in black students in Georgia, soaring from 1,522 in 1986 to 4,345, a 185 percent increase. Georgia State University and Georgia Southern University have seen only slightly smaller numerical gains among their African-American populations.

Georgia State, which has seen a 1,903-student increase, has worked hard to lure more black youngsters to school, officials there said.

"Once you get a certain number of [black] students and get beyond the critical mass, they feel comfortable on campus and feel they're a part of what's going on," said Jim Scott, Georgia State's vice president of student life and enrollment. "That's when they begin to feel that they're not just here taking classes . . . and that word gets back to their friends and guidance counselors."

Enrollment at the state's public black campuses — Albany State, Fort Valley State and Savannah State universities — has grown by more than 1,200 each.

Considerable gains also have been made in Atlanta's four historically black — but private — colleges. Clark Atlanta University, Morehouse, Spelman and Morris Brown colleges have seen increases in applications and enrollments and now stand at nearly 12,000 students combined. But proportionately, the growth isn't as large — they had about 10,000 in 1992.

Despite the gains, black students still face stiff challenges in getting into colleges and graduate schools. In addition to faring worse than their white counterparts on the SAT and graduate exams, they also have a tougher time funding their college years.

Nationally, black students are more likely than white students to drop out of college, and they still are more dependent upon financial aid. One-third of black students enrolled in four-year schools have family incomes below $20,000, compared with about 9 percent of whites.

About 20 percent of Georgia's black college students receive the state's lottery-funded HOPE scholarship, which covers the cost of tuition for students who enter college with a B average and maintain it.

ATLANTA JOURNAL APR 10 1997

59,840 pre-k spaces available

JN9

The state Office of School Readiness has announced grants to schools and child-care centers to serve up to 59,840 children this fall in the free lottery-funded pre-kindergarten program.

Children 4 years old on or before Sept. 1, 1997, are eligible for the program, which provides a 180-day preschool, with 6½ hours of instruction daily.

Parents have toted lawn chairs and camped out before dawn at some child-care centers in metro Atlanta to be assured of a space in the program. Most centers register students on a first-come, first-served basis. Child-care providers say many parents sign up on more than one waiting list.

Mike Vollmer, director of the state Office of School Readiness, had asked that all centers hold registration in April but said that some programs started registering children early. Vollmer also said his office is going to try to do a better job of pinpointing where the program has vacancies and where there are students who aren't being served.

Vollmer's office will randomly audit centers to assure that they are offering a quality program, have the required number of students and are appropriately and adequately supplied.

Low-income families are eligible for free meals and extended day services in the program. Centers may charge up to $17 per week for meals and up to $75 per week for caring for children outside the pre-k program.

merit-based scholarship budget was spent on 111 full-tuition scholarships. And the yield from those scholarships was very high.

But relatively few applicants who just missed the cut for these generous merit grants - and thus received no aid offer at all - came to Tulane. So last year Dean Whiteside reduced the number of full-tuition scholarships from 111 to 50 and offered $10,000 discounts (a bit less than half of tuition) to 600 of the most qualified applicants from the pool of 6,400 high school seniors admitted.

More than half of the 600 enrolled. The loss of a handful of elite students who turned down the $10,000 offer but might have jumped at $20,000 was more than offset by the enrollment of larger numbers of still excellent freshmen with combined SAT scores above 1,350. And while merit-aid outlays went up, so did total tuition income because the class size swelled by 98 students.

That proved to be a worthwhile trade-off, since Tulane had classrooms and dorms to spare. ""All we had to do was add a few class sections," Whiteside said.

Tulane's rejiggering of merit aid offended no one. The only losers, the 61 students who got $10,000 scholarships rather than a free ride, never knew who they were.■

TRADE

GRADE REQUIREMENT

Chronicle of Higher Education
April 28, 1997

Recipients of Georgia's HOPE Scholarships Are Said to Do Better Than Their Peers

By KIM STROSNIDER

Georgia students who receive HOPE scholarships — a program on which President Clinton has based a number of his student-aid proposals — earn higher grades and are more likely to stay in college than their peers who missed out on the scholarships, according to a study to be released today by Georgia State University.

The study tracked the performance of "borderline" HOPE-scholarship recipients — those whose high-school grade-point averages ranged from 3.0 to 3.16 — against a similar group of students who did not receive the scholarships. The minimum G.P.A. for earning the scholarships is 3.0.

In Georgia, HOPE scholarships pay for tuition and fees at public colleges and universities and provide book stipends. To be eligible, students must be from families with household incomes of less than $100,000 (the cutoff point for scholarships in 1994-95, the year examined in the study).

The study found that students who received HOPE scholarships had higher college G.P.A.'s than did their peers who did not receive the scholarships, after controlling for other factors. The difference amounted to one-tenth of a point on a 4.0 scale. On average, the researchers said, "borderline" students who received HOPE scholarships in 1994-95 had college G.P.A.'s of 1.9. The average college G.P.A. for all students who received HOPE scholarships that year was 2.41.

The researchers also found that the "borderline" HOPE scholars had earned more credits than their peers — about 48 credit hours, compared with 35.3. By last fall, more than 60 per cent of the "borderline" HOPE scholars had begun their third year of college, compared with only 51.1 per cent of the other students.

The study also noted that even when students lost their HOPE scholarships after their first year of college, they were more likely to remain in college than were those who had never received the scholarships. To maintain the scholarships, students must earn a B average in college — a requirement President Clinton has adopted for his proposals.

"HOPE really is providing students with hope and convincing them that they are 'college material,'" said Gary T. Henry, director of the Applied Research Center at Georgia State. The center's Council for School Performance conducted the study.■

Chronicle of Higher Education
April 28, 1997

Mass. Tries to Lure Holdout Colleges to Join Its Tuition Plan

Experts praise the effort to help families pay for college, but a few elite institutions have stayed out of the program

Georgia HOPE Scholarships

The Georgia HOPE program, established in 1993, provides full tuition, fees, and books at any in-state public college to any Georgia student who graduates from high school with a B average (3.0) or better in the state's core-curriculum subjects (English, math, science, and social studies). Students who maintain a B average in college and stay off drugs can continue to receive the same level of support for up to four years. Students whose college grades fall below 3.0 can requalify a year later if they bring their grades back up.

The program also provides a Second Chance Opportunity for students who don't meet the academic requirements out of high school. Anyone who obtains a 3.0 GPA for their first two years of college can get a HOPE scholarship for their junior and senior years. Students with any high school grade point average can get a HOPE scholarship to attend any public technical institute, full- or part-time. Students with a GED can get a one-time $500 award.

Since 1993, nearly 200,000 Georgia students have received some form of HOPE scholarship. The program is open to students without regard to family income. The racial composition of those receiving HOPE scholarships mirrors that of the overall university system (75% white, 20% black). A recent evaluation of HOPE scholarship recipients at public colleges found that 84% of HOPE students who enrolled in Fall 1994 were still in college in Fall 1995, versus 74% of all students.

HOPE SCHOLARSHIP PROGRAM

	September 1995	September 1996
Public Colleges	• B Average from High School. • Freshmen and Sophomores • Juniors and Seniors • ***Removal of Income Cap*** • ***Second Chance Opportunity*** • ***Inclusion of Non-traditional Students*** • Tuition and Mandatory Fees • Book Allowance • ***PROMISE Teacher Scholarships*** • ***HOPE Teacher Scholarships***	• B Average from High School **(core-curriculum in 2000)** • Freshmen and Sophomores • Juniors and Seniors • No income cap • Second Chance Opportunity • Non-traditional Student Oppourtunity • Tuition and Mandatory Fees • Book Allowance • PROMISE Teacher Scholarship • Hope Teacher Scholarship
Technical Institutes	• Tuition and Mandatory Fees • Book Allowance	• Tuition and Mandatory Fees • Book Allowance
Private Colleges	• ***$1500*** Grant for Full-time Students • ***PROMISE Teacher Scholarship*** • ***HOPE Teacher Scholarship***	• **$3000 Scholarship for 1996 high school graduates with B Average** • **$1500 Grant for renewals only** • PROMISE Teacher Scholarship • HOPE Teacher Scholarship
GED Graduate	• $500 Award for Post-Secondary Study	• $500 Award for Postsecondary Study
	Bold print indicates changes	Bold print indicates program changes

HOPE SCHOLARSHIP PROGRAM

	September 1993	September 1994
Public Colleges	• B Average from H. S. • Freshmen • Sophomores	• B Average from H. S. • Freshmen • Sophomores • ***Juniors*** • ***Seniors***
	• $66,000 Income Cap	• ***$100,000 Income Cap***
	• Tuition	• Tuition • ***Mandatory Fees*** • ***Book Allowance***
Technical Institutes	• Tuition	• Tuition • ***Mandatory Fees*** • ***Book Allowance***
Private Colleges	• $500 Tuition Grant for Full-time Study	• ***$1000*** Tuition Grant for Full-time Students
GED Graduate	• $500 Award for Postsecondary Study	• $500 Award for Postsecondary Study

Bold print indicates expansions.

HOPE SCHOLARSHIP PROGRAM

Sept. 1, 1993 - May. 15, 1996

UNIVERSITY SYSTEM

	STUDENTS	TOTAL
TOTAL	60,682	$118,629,278.35

TECHNICAL INSTITUTES

	STUDENTS	TOTAL
TOTAL	74,830	$42,271,517.87

PRIVATE COLLEGES

	STUDENTS	TOTAL
TOTAL	45,423	$60,208,210.52

GED RECIPIENTS

	STUDENTS *	TOTAL
TOTAL	9,066	$4,526,342.45

TOTAL FOR ALL PROGRAMS

	STUDENTS	TOTAL
TOTAL	190,001	$225,635,349.19

* A total of 49,988 GED Vouchers have been issued.

An Investment In Georgia's Future

Governor Zell Miller's Education Initiatives for Georgia's Children

THE STATE of GEORGIA

Inside

Dear Friends:

These are exciting times in Georgia! Home to the 1996 Centennial Olympic Games and the World Champion Atlanta Braves, Georgia has a vibrant economy that is outperforming the nation and creating thousands of new jobs each year. This you may know, but do you know about the unique and innovative educational opportunities Georgia is providing for her students?

You may think I'm just bragging on Georgia. But let me remind you what that great American philosopher Dizzy Dean once said, *"If you've already done it, it ain't braggin'."* In Georgia, parents can look their children in the eye and tell them that if they work hard, they can go from pre-kindergarten through college, tuition-free. That *"ain't braggin'"* because we're doing it in Georgia.

The HOPE Scholarship Program rewards *all* Georgia high school graduates who maintain a "B" average with free tuition at state institutions of higher learning. There is no other state scholarship like it in the nation. Since its inception in 1993, more than 176,000 HOPE Scholars have attended Georgia's universities, colleges, and technical institutes.

Georgia's statewide voluntary Pre-Kindergarten Program, which is open to all four-year olds, is being funded right now at the rate of $1 million each school day. It is the most comprehensive program in the nation and reaches a higher proportion of our four-year-olds—those at risk and those not at risk—than any of the other 49 states.

We have also placed computers, satellite dishes, distance learning and other instructional technology into every elementary, middle and high school so that our children will have the skills they need to succeed in the 21st century. Georgia also leads the nation in many distance learning measures. We rank first in the production of educational programming, first in the number of both students and schools served by satellite-based instruction, and first in the number of young children served by "ready-to-learn" programming. Georgia has also used existing technology to deliver what the *New York Times* has called the most sophisticated telemedicine and distance learning network in the nation. Georgians are also served by a 150,000-mile, statewide, fiber-optic network!

Today, on the eve of the millennium, I can tell you that Georgia is poised to take its place as a national leader in excellence in education by investing in the future: our children.

Please take a few minutes to review this information. I think you'll find Georgia's level of support for education initiatives to be unique.

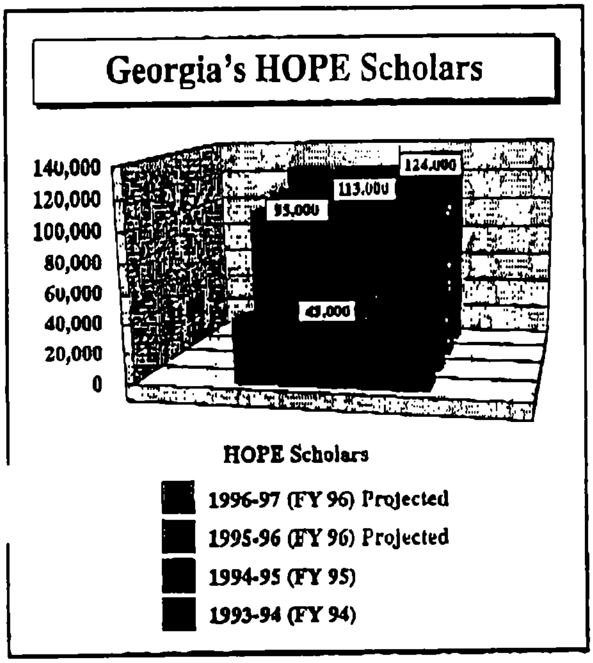
Sincerely,

Zell Miller

The HOPE Scholarship

Helping Outstanding Pupils Educationally

"[HOPE is] the most far-reaching state scholarship project in the nation."
Los Angeles Times, April 5, 1994

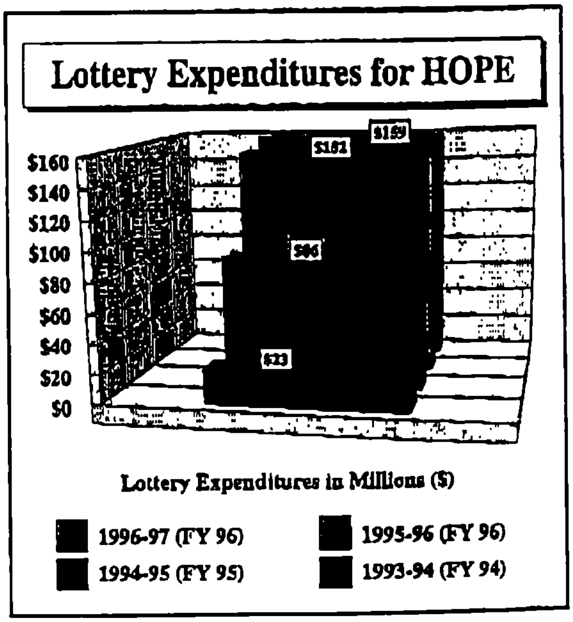


Governor Miller's brainchild, HOPE is Georgia's unique scholarship program that rewards students' hard work with free tuition at any eligible Georgia public or private college, university or technical institute. *All* Georgia high school graduates with a "B" average who choose to attend a Georgia college or university or degree program at a technical institute are eligible. Any student in a diploma or certificate program at a Georgia technical institute is also eligible for HOPE.

Once in the program, the student must maintain a cumulative "B" average or 3.0 GPA to continue receiving the scholarship. HOPE pays for tuition, mandatory fees, and provides a book allowance at public institutions. Governor Miller describes HOPE as "Georgia's G.I. Bill."

Eligible students attending Georgia's private colleges and universities receive up to $3,000 per year from HOPE. In addition, HOPE provides GED (General Educational Development) diploma vouchers of $500 for individuals who return to school and receive their high school equivalency diplomas. The money may be spent on tuition, books, supplies, or expenses related to the furtherance of the resident's post-secondary education.

HOPE Scholarships are also available for college juniors and seniors who want to become teachers in Georgia. Forgivable loans of up to $3,000 per academic year are available to education students with a minimum 3.6 GPA who promise to teach in Georgia for at least one year for each $1,500 awarded through HOPE. HOPE also provides forgivable loans for Georgia teachers and individuals completing advanced degrees and approved programs in fields of study where there is a critical shortage (i.e. Middle Grades Education with concentration in Math or Science, secondary Math and Science Education, Foreign Language Education, English to Speakers of Other Languages (ESOL), Education of Exceptional Children, School Counseling and Speech Language Pathology and Industrial Arts/Technology Education).



Since the program began in 1993, more than 176,000 Georgians have benefitted from HOPE. For the 1996-97 school year, $159 million has been appropriated to send an estimated 124,000 HOPE Scholars to Georgia universities, colleges and technical institutes. To ensure that future generations of Georgians will benefit from HOPE, Governor Miller has put aside $75 million into Georgia's HOPE reserve fund.

HOPE is the only scholarship program of its kind in the nation because it allows Georgia's hard-working students, regardless of family income level, the chance to get the education and training they need for the jobs of tomorrow.

Georgia's Lottery for Education

PEACH
to be inserted
on negative
(4-color process)

"Students are the big winners in Georgia's Lottery."

The Miami Herald, February 11, 1996

When Governor Miller first proposed a lottery for education in Georgia and estimated the amount it could generate for Georgia's children, his critics laughed. Today, they're not laughing. They're smiling.

In its first four years, Georgia's Lottery for Education has allowed the state to appropriate more than $1.7 billion to fund additional educational opportunities for students in Georgia's K through 12, University and Technical and Adult Education Systems.

To ensure that the lottery proceeds would *supplement*, not *supplant* existing state funding for education, Governor Miller earmarked lottery proceeds for three specific areas: olarships for Georgia's rd-working students; a voluntary pre-kindergarten program to help prepare four-year-olds for school; and technological and capital improvements for all of Georgia's public schools, colleges, universities and technical institutes.

The scholarship program Governor Miller envisioned became HOPE. HOPE initially was available only to college juniors and seniors with a "B" average and in families with annual incomes of no more than $66,000. Today the program covers ***all four years of college without regard to family income.***

Pre-Kindergarten has likewise been expanded. First available only to children considered at-risk of failing in school, the program has been expanded so that all parents have the option of enrolling their four-year old child in Pre-Kindergarten.

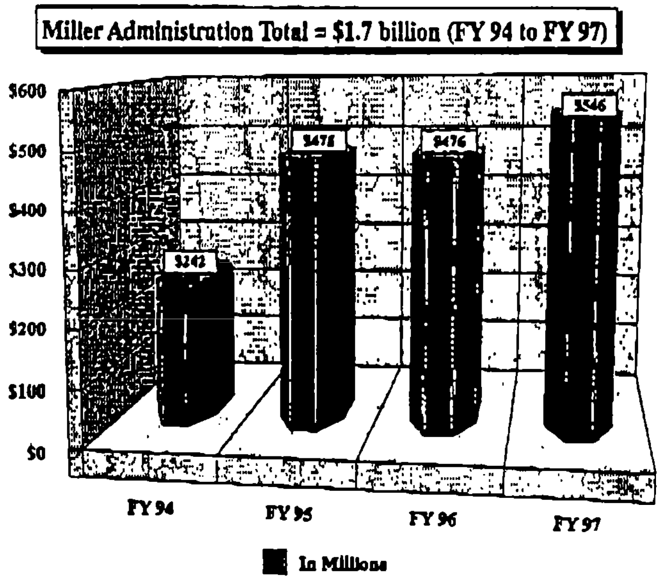
Governor Miller chose to direct the third tier of tery funding for classroom technology. Construction jects at Georgia's universities and colleges has been aid for by the Lottery. Georgia has provided classroom computers, school media center equipment, satellite dishes, "safe schools" equipment, and technology for our colleges, universities and technical institutes and additional construction projects to assist school systems experiencing exceptional growth.

Due to Governor Miller's insistence that the lottery be "removed from politics," a public corporation was chosen to administer the lottery. In turn, the Lottery Corporation has maximized its profits and returns to the State for education. For the first two years, FY 94 and FY 95, the Lottery was required to return at least 30% of its proceeds to the state for education. For FY 94, 34% or almost $270 million was returned to the State. In FY 95, 36% or $500 million was returned to state coffers for education. Both years' sales were record-breaking for U.S. lottery startups.

From Fiscal Year 1994 to Fiscal Year 1997, Georgia has appropriated $447.6 million for HOPE Scholarships; $482.1 million for Georgia's Voluntary Pre-Kindergarten Program; and $458 million for classroom technology. And as a result, 176,000 Georgians have gone to school on HOPE Scholarships; 74,000 four-year-olds have participated in the Voluntary Pre-Kindergarten Program; and all of Georgia's 1,766 schools now have the latest computers, satellite dishes, and other instructional technology for teachers and students.

Governor Miller accepted the one-billionth dollar transfer from the Lottery to the State in January 1996. At the video teleconference with students and teachers from around Georgia, he said: "All these programs—HOPE, Pre-Kindergarten, school technology—will result in a skilled and educated Georgia workforce. That makes us all winners."

Annual Lottery for Education Appropriations



JUN. 1.1996 3:37PM GOVERNOR'S OFFICE NO.696 P.8/37

STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Zell Miller
GOVERNOR

Rick Dent
DIRECTOR OF COMMUNICATIONS

PRESS ADVISORY

For immediate release
January 16, 1996

Contact: Rick Dent
(404) 651-7774

Governor Miller Accepts $1 Billionth Lottery Dollar

More Than 1.7 Million Benefit From HOPE, PRE-K And Technology

ATLANTA - Governor Zell Miller today accepted the $1 billionth dollar for education from the Georgia Lottery, and then talked by video teleconference with students, teachers and educational institutions that have benefitted from the program.

Today's $140 million transfer was the 10th from the Lottery to state coffers since October 15, 1993, bringing total transfers to $1.1 billion.

Governor Miller said this year the lottery will directly benefit more than 1.7 million students, including:

• 48,000 four-year-olds currently in the prekindergarten program, which is expanding to include 60,000 students next year.

• More than 105,000 students on HOPE (Helping Outstanding Pupils Educationally) scholarships at colleges, universities and technical schools across Georgia.

• 1.3 million public school (K-12) students who can use new computers, printers and software purchased for all 1,846 schools by the lottery.

• 400,000 students attending colleges, universities and technical schools that have received new technology and capital construction funds.

Besides Georgia's students, Governor Miller said, "I think it is safe to say that every Georgian benefits from lottery funded programs.

"All these programs - prekindergarten, HOPE, school technology - will result in a skilled and educated workforce ready for the challenges of the 21st century. That makes us all winners."

"I know I say this a lot, but it feels so good when I do - When I first proposed the Georgia Lottery for education and estimated the amount of money I thought would be generated for the school children of this state, people laughed at me.

"Well today," Governor Miller said, "A lot of people are smiling."

Georgia Lottery president Rebecca Paul said, "I am extremely proud of the contributions the Georgia Lottery employees and retailers have made to the education system of this state.

"At the Georgia Lottery, we provide exciting games to millions of Georgians every day, and we make some Georgians a little richer every day. But our real mission is spotlighted today - raising as many dollars for education as we possibly can so that all of Georgia may reap the benefits."

Schools participating in today's video teleconference were Grady High School, Dodge County High School, Armstrong State College, the Georgia College Technology Center in Macon and Albany Technical Institute.

LOTTERY HITS $1 BILLION

FY 1994-1996 FUNDING

SCHOLARSHIPS

$227,820,730	HOPE scholarships
$10,000,000	HOPE teacher scholarships
$7,161,221	other
$244,981,951	TOTAL

PRE-KINDERGARTEN

$272,961,245	Pre-k program
$3,000,000	Special needs Pre-k capital outlay
$275,961,245	TOTAL

TECHNOLOGY

$59,762,500	classroom computers K-12
$40,467,500	school media center/library equip.
$18,990,000	wiring & retrofitting K-12
$16,404,078	satellite dishes
$24,000,000	safe school equip.
$53,073,239	other technology K-12
$118,241,000	technology for public colleges & universities
$45,789,003	technology for tech. inst. & adult ed.
$376,727,320	TOTAL

SPECIAL CONSTRUCTION PROJECTS

$61,405,934	fastest growing schools program
$24,000,000	GCATT building
$54,858,133	DTAE satellite facilities
$26,921,000	GPTV const.
$10,000,000	Discovery Center
$55,749,123	other
$232,934,190	TOTAL

GRAND TOTAL = $1,130,604,706

Georgia Students Impacted by Lottery Appropriations
Fiscal Year 1996

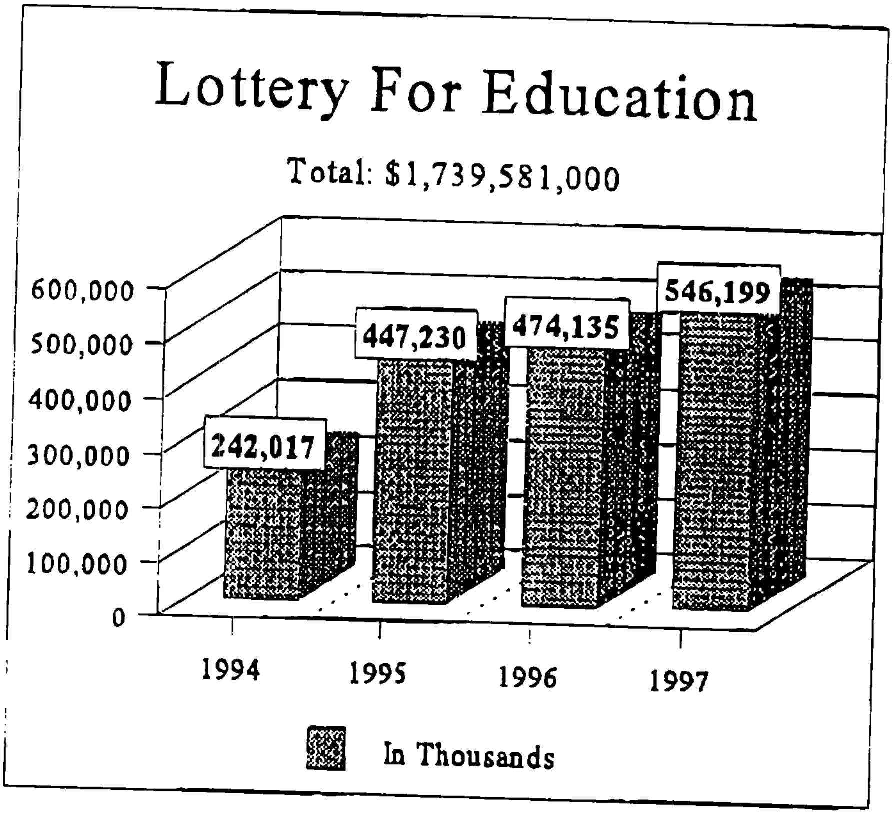
Category	No. of Students
PreKindergarten Program	48,000
Public School System (K-12)	1,275,000*
University System	231,884**
Technical and Adult Programs	220,000***
TOTAL:	**1,774,884**

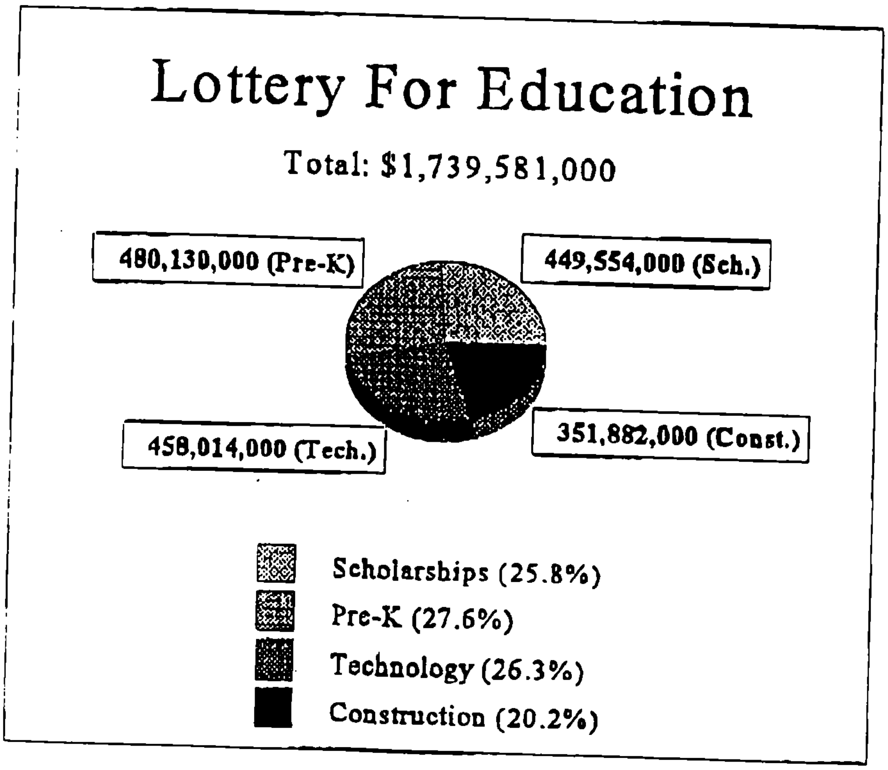
Source: Governor's Office of Planning and Budget, State Department of Education, Board of Regents, and the Department of Technical and Adult Education.

*Total student population in Georgia public schools, grades K through 12. Includes funding for classroom computers, media center/library equipment, satellite dishes, safe schools equipment, drug and antiviolence equipment, applied technology labs, and assistive technology.
**Total student population in Georgia universities and colleges. Includes University System Trust Fund, satellite dishes, Georgia Research Alliance, long-distance learning, university system construction projects and the statewide library (The Galileo Project). Number also includes the HOPE scholars and other scholarship recipients at Georgia's public universities and colleges. In addition, the number includes the 25,884 students receiving the HOPE supplemented TEG at Georgia's private colleges.
***Total number of students served by Technical and Adult program. Includes adult literacy equipment, computer labs and equipment, satellite dishes, replacement of obsolete equipment, satellite dishes, replacement of obsolete equipment, vocational equipment, and technology grants for DTAE libraries. Number includes the 41,844 students receiving HOPE awards at technical students and the 3,628 awards for Georgians completing their GEDs.

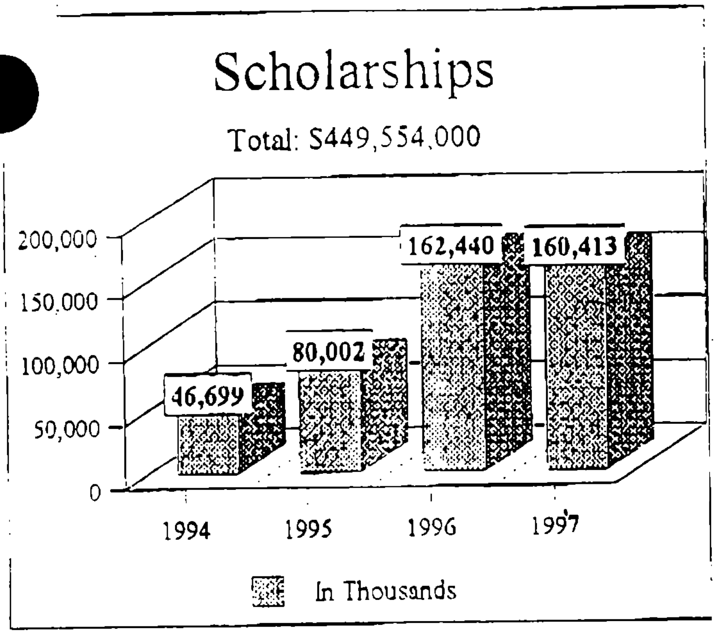
Source: GA Office of Planning and Budget, 19[illegible]

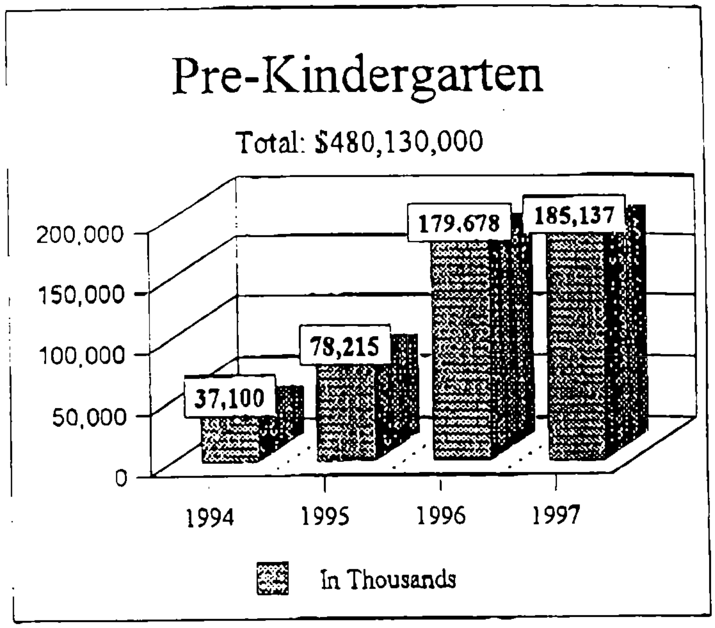
Total Lottery Expenditures, FY 94 to FY 97

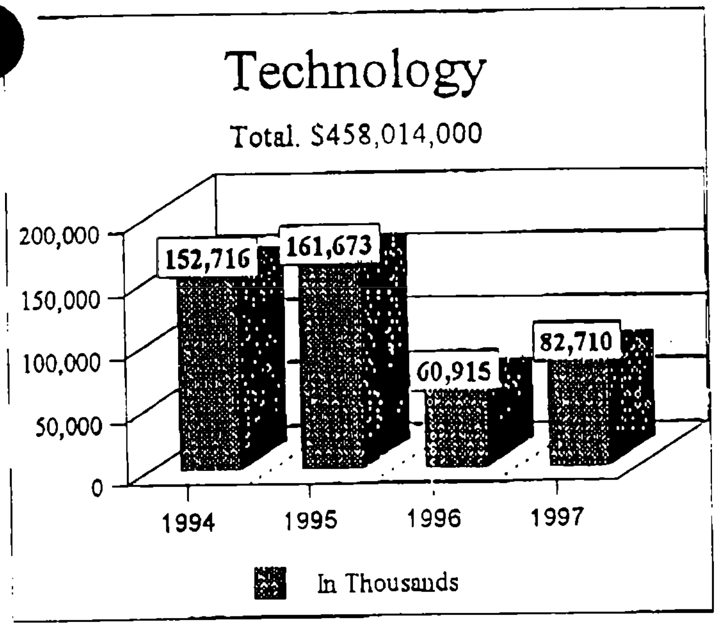


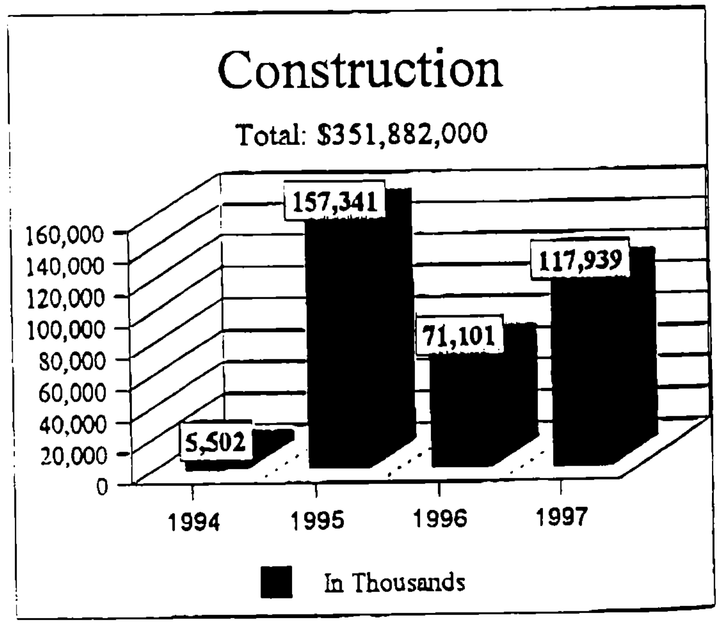


Source: GA office of Planning and Budget, 199









wsj.com 75 CENTS

Free for All

Georgia's Scholarships Are Open to Everyone, And That's a Problem

The State Picks Up Tuition, Regardless of Income; Is That Fair to the Poor?

Even 'Bill Gates Can Qualify'

By GREG JAFFE
Staff Reporter of THE WALL STREET JOURNAL

ATLANTA — Maria Weddige and Kijua Sanders will both graduate in June from state colleges in Georgia. Ms. Weddige, 22 years old, comes from a family whose earnings exceed $50,000. She never had to interrupt her studies to take a job. Ms. Sanders, 26, regularly worked two jobs to help pay for school, and her family income is less than $25,000.

The two women have good academic records. So which one receives more financial aid from government programs?

They both get about the same amount, because of the generosity of Georgia's Legislature and a gradual change in government thinking. After years in which only the poor were considered needy, that term — especially when applied to higher education — increasingly embraces the middle class.

Ms. Weddige and Ms. Sanders are beneficiaries, to very different degrees, of a Georgia scholarship program called HOPE, or Helping Outstanding Pupils Educationally. Funded with money from the state's lottery, HOPE pays 100% of tuition at state schools for all Georgia students — regardless of income — who maintain a B average and aren't already receiving federal financial aid. It also provides free tuition to all state students who attend vocational or technical schools in Georgia.

By many measures, HOPE has been a success. Nearly 118,000 students are enrolled, receiving scholarships totaling $125 million. More than 97% of all in-state freshmen at the University of Georgia have been HOPE recipients this year. At least a dozen states are weighing similar programs. And President Clinton is pushing a national program to give tax breaks to parents whose children maintain a B average in college.

Critics, though, say HOPE isn't shining brightly enough on those who need help the most. Ms. Weddige gets about $3,000 from

---

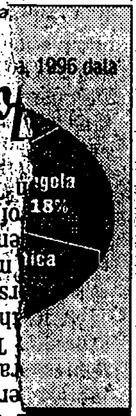
ook

g to Build
th Africa

WASHINGTON
U.S. and Africa is
rely limited. Sud-
possibilities are
on than the limita-
nd the Clinton ad-
renovate U.S.-Afri-
ns.
pparently no longer
foreign-aid budgets,
terest in Africa are
stment policies as a
narket reforms that
uch of the African
f the Cold War. The
term, could be a
ad long written the
ual loser.
more room for
sm about eco-
in sub-Saharan
ne in a genera-
easury Secretary
s said during a
st week.
anged for Africa
10 years. Both the
viet bloc have lost
on their African
ican states have
d reforms attrac-
stic investors. The
f 48 sub-Saharan
dertaking serious
ding liberalization
zation of state en-
vestment laws.
nations — includ-
Coast, Ghana, and
netimes spectacu-
s. Some countries
onflict and state-
e; Sierra Leone,
y come to mind.
etary Fund fore-
a as a whole this

-Saharan Africa
ast year to $15.2
on, with its many
lion's share of
U.S. is the single
African exports,
% of U.S. trade.
erminant of our
uccess of African
mmers says.
rmers, especially
e focus of the U.S.
acted a bipartisan
king congressional

his own version
a centerpiece of
nic summit of the
ed nations.
which address
reward Africa's
s to encourage
he plans would
can free-trade
duty-free ac-
sands of Afri-
provide for an
d and for in-
between the
t plan would



$1.2 billion
ck apparel.
, but Mr.
stic textile
out of his
S. consist
m Nigeria,
. For coun-
th, textiles
can offer a

ndustrial-
the 18th
says Ben-
ssador in
the same
industry
posed an
the U.S.
hout the

to take up
sors predict
vive. Either
S. policy to
eral trade.
make more
ystems and
eloping the
firms to do
ds, and in-

roach—pro-
while facili-
sible—could
re prosper-
portunities
mott pre-
ent world
ive years

PHILLIPS

grants from her HOPE scholarship. In the current school year, Ms. Sanders's only benefit from HOPE has been a book allowance of about $100 a quarter.

Ms. Sanders also is affected by cuts the state made in a program that provides low-income students with money for living expenses. In 1997, Georgia will put $2.2 million into its Student Incentive Grants, down from $5.2 million in 1995. For Ms. Sanders, that means she received a $300 grant this year, down from $1,500 last year. Georgia's contribution is the lowest, per student, in the nation. Asked why the state gives relatively little, Gov. Zell Miller says, "Other states don't have HOPE."

But the cuts have made college less affordable for many low-income Georgians. Ms. Sanders's total aid package dropped from about $4,000 in 1995 to $3,000 in 1996. To compensate, she switched apartments, moving farther from campus and into a less safe neighborhood.

That seems wrong to some educators who believe that the primary goal of financial aid should be to make college available to the poor. "If you're Bill Gates, you can qualify for HOPE and get free tuition," says Thomas G. Mortenson, a senior scholar at the National Council of Educational Opportunity Associations, a federally funded think tank based in Washington. "In an area of deteriorating investment in public schools . . . it's more important than ever to target aid to those who need it the most."

Such criticism speaks to fundamental questions about entitlement programs. What resources should governments make available for citizens? Who should benefit? Increasingly, legislators are drawing the line well above the poverty level.

"Who says every aid and scholarship program should be limited to poor people?" says David Longanecker, an assistant secretary at the U.S. Department of Education. "The middle class deserves some relief."

In a sense, the HOPE program calls to mind an earlier era when many state schools were tuition-free for residents, and many poorer students also received grants to pay for room, board and books. The idea was to make college widely available, and to encourage a student body representative of society as a whole.

That changed in the 1970s, when states from California to New York started charging for tuition. At first the amounts were minimal, but between 1980 and 1995, the cost of an education at a four-year public university soared 235%, while the median household income rose 82%, according to a General Accounting Office report.

As tuition at private schools also soared, the middle class demanded help, and the government responded. In 1993, Congress removed home equity from the needs-analysis calculation for federally subsidized student loans. That opened the program to thousands more middle-class families.

But there was less support for boosting aid to the poorest students. Today, the largest Pell grant covers about 33% of the

Please Turn to Page A13, Column 1

Georgia Tuition Program Attracts Critics

Continued From First Page

average cost of tuition, books and board at a public university, down from 80% in 1981.

"The saying at the Department of Education was that the war on poverty was over," recalls Tom Wolanin, a deputy secretary for legislative and congressional affairs at the department from 1993 to 1996. "We all realized that any program that serves poor people [alone] was not politically feasible."

'Something Big'

About the same time, Gov. Miller was trying to build support for an ambitious scholarship program in Georgia. "I always wanted to do something big in education," the former college history professor says. His plans would eventually become the HOPE program.

Lawmakers opened the program in 1993 to students from families making less than $66,000 a year—with an exception. Worried that lottery money would run out if too many families took part, they turned their attention toward poorer students, whose federal Pell grants can be used for any education-related expenses, not just tuition. The state decided that those students would get HOPE scholarships worth only that portion of their tuition that the federal aid didn't cover.

Ms. Sanders, for example, got a $2,400 Pell grant this year. That amount was subtracted from the value of her HOPE scholarship, leaving her a $100-a-quarter book allowance from HOPE.

Despite officials' early worries, the lottery well didn't run dry. Just the opposite: It has generated far more sales—about $5 billion in four years — than the state expected. So the legislature, flush with the windfall, soon faced another decision. Should it give poor students the full HOPE tuition award so they could use the Pell grants for living expenses, or should it expand HOPE to include wealthier students?

Legislators chose the latter course and raised the income cap to $100,000. Then, last year, Georgia opened the program to everyone, regardless of wealth.

Since HOPE has no income cap, the students don't have to disclose what they or their parents earn. Thus, the state doesn't have data on how much of its largess goes to wealthy families.

Most Georgia lawmakers say they are satisfied with their decision to include students with higher incomes. If the state had instead given full scholarships to those already getting Pell grants, about 19,000 higher-income students would have been knocked off the rolls, Gov. Miller says. HOPE's goal, he says, is to help "as many kids as we can."

A Magnet for Good Students

In the process, HOPE may also help the state keep its best students at home. Between 1992 and 1996, the average combined SAT score for new freshmen at the University of Georgia rose 20 points. Nationally, the average rose 12 points.

"Before the HOPE program, our honors students would have laughed at the idea of going to the University [illegible]gia," says Steve Pearson, a counselor at Decatur High School in Atlanta's suburbs. "Today, it is a serious choice."

It isn't just the public universities that benefit. HOPE also provides $3,000 annual tuition rebates to state students who maintain a B average at private colleges in Georgia. That has produced an unusual response from Furman University, a private college in Greenville, S.C., that depends on the Atlanta suburbs for students. Furman recently began offering $3,000 rebates to students from Georgia to bolster enrollment.

HOPE's generosity was the deciding factor for Ms. Weddige. As a high-school senior, she says, she was "in love" with Carleton College, an exclusive liberal-arts school in Minnesota. Her parents, however, helped persuade her to attend Georgia Institute of Technology in Atlanta.

Six years earlier, when Ms. Weddige's sister attended Berry College, a private school in Rome, Ga., the family was turned down for financial aid. "We basically had to struggle through," says Peter Weddige, Maria's father. HOPE, by contrast, has allowed the Weddiges to put money in their rement savings.

And it has enabled Ms. Weddige to duate debt-free. "Without HOPE I ald have graduated with between ,000 and $20,000 in loans," she says.

Still, as HOPE's popularity has surged, program has come under fire. Some ics say it could prompt professors to ate grades or cause students to shun h courses for fear that their grades plummet and they will lose their ncial aid.

If that's the case, you end up shooting self in the foot, especially if your goal encourage academic excellence," Tom Kane, a professor at Harvard ersity.

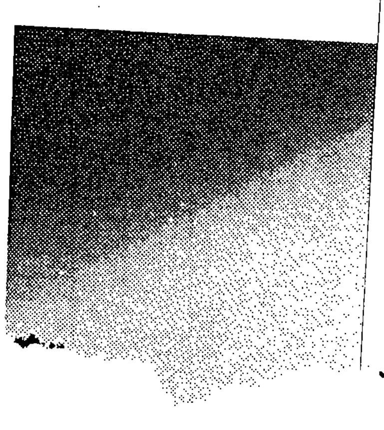
ut HOPE's most persistent critics are financial-aid groups who say it n't do enough to open the doors of ge to poorer students.

HOPE tips the balance of aid too much avor of the privileged," says Larry ieux, executive director of the College d, a Washington-based association administers college-entrance exams. es the same problems in Mr. Clinton's osal, which would offer a $1,500 tax t or a $10,000 tax deduction to lower- middle-income families with students in college. The deduction would be worth about $2,700 to families making $70,000 to $80,000 a year.

Ms. Sanders echoes those concerns. When she graduates, she will have accumulated about $8,000 in debt. Eventually, she says, she would like to get a doctoral degree in education. But her immediate goal will be to find a job that will pay off her loans.

Gwyn Francis, director of financial aid at Georgia State, says she worries that the needs of students like Ms. Sanders are being lost in the clamor over HOPE.

"My concern is that in our push to help a very vocal middle class and encourage academic excellence, we're going to forget about the students who simply can't attend college without help," she says. "That would be a big loss."



Lockheed Venture Set to Cement Ties To Russia Space Plans

Continued From Page A2

designed engine on its new-generation Atlas 2AR rocket.

The 25-year-old Intersputnik organization, including nations as diverse as Germany, Mongolia, Hungary, Yemen, Vietnam and Nicaragua, has collected favorable orbital slots that were allocated by international authorities.

But the consortium has struggled to expand, or even replace existing satellites nearing the end of their useful life. The first satellites slated to be launched by the new joint venture are expected to replace older Russian satellites now serving some of those countries.