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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

Series/Staff Member: Peter Orzag

Subseries:

OA/ID Number: 12960

FolderID:

Folder Title:

Hope Scholarships [2]

Stack:

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Row:

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Section:

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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.

VALIDATION

Divider Title: _____



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

FAX TRANSMITTAL

TO: Gene Sperling

ORGANIZATION: _____

PHONE NUMBER: 456-5804

FAX NUMBER: 456-2878

FROM: SUSAN FROST, Special Advisor on Budget Policy

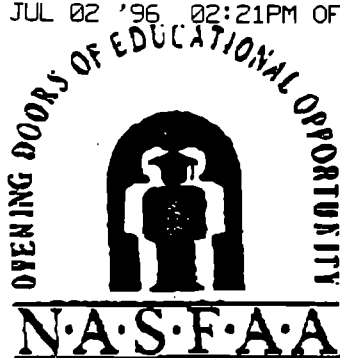
PHONE NUMBER: 202.401.8450

MESSAGE: Have you seen this?
Another major endorsement!

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1 PAGE(S) TO FOLLOW



June 13, 1996

The Honorable Richard W. Riley
Secretary of Education
U. S. Department of Education
400 Maryland Avenue, SW, FOB-6
Washington, DC 20202

Dear Mr. Secretary,

On behalf of the National Association of Student Financial Aid Administrators, I want to sincerely commend you and President Clinton for continuing to advance legislative proposals which will help all Americans to be able to afford a college education.

The new America's HOPE Scholarship Program which you briefed us on at the monthly Washington Higher Education Secretariat Meeting on Tuesday, June 4, is a welcome addition to the other educational initiatives which the President has already advanced to help all citizens to have access to postsecondary education.

As you know, our members' highest funding priority has always been need-based student assistance programs, and we were very pleased when the President's FY-97 budget called for additional Pell Grant and Federal Work-Study funds.

We realize, however, that in the current budgetary climate, it is going to be increasingly difficult to obtain needed levels of funding solely from the discretionary side of the budget. Therefore, we are pleased that the President has put forth a tax cut, along with his education deduction proposal which places the emphasis upon education.

We believe that targeting tax reduction for educational expenses is sound policy that insures a positive investment in the nation's future economy.

Therefore, we look forward to working with you and the President to make all of these initiatives a reality for our citizens.

Sincerely yours,

Dallas Martin
President

AACC



AMERICAN ASSOCIATION OF COMMUNITY COLLEGES
ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

June 10, 1996

The Honorable William Jefferson Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

We write on behalf of the major national organizations representing presidents and boards of trustees of the nation's community colleges. Overall, our associations include some 1,100, public and private, associate degree-granting institutions and 80 percent of all community college boards of trustees. We wish to express our strong support for your "Hope Scholarship Tax Credit" proposal. The attached pages list some of our members who formally endorse the plan.

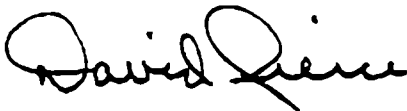
If enacted, your tax credit proposal would provide an extremely valuable addition to the existing federal student financial aid programs as a means of financing a college education. Community college educators also appreciate your recognition that it is imperative for most Americans to receive at least two years of postsecondary education, both for their own financial well-being as well as that of the nation's economic growth and stability.

The last fifteen years have seen an alarming erosion in the value of federal grant and work assistance. We are grateful that, on July 1, the Pell Grant maximum will increase by \$130 to \$2,470, and we appreciate and endorse your support for a maximum grant of \$2,700 in FY 1997. The Hope Scholarship Tax Credit proposal would augment Pell Grants and other financing vehicles now available to community college students. It could also send a powerful signal about the priority that the federal government places on college attendance.

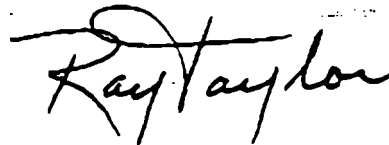
We do have questions about some aspects of this proposal. These include the interaction of the tax credit with current student aid programs, and how the proposed B standard would mesh with existing Title IV standards of satisfactory academic progress. But we believe that these points can be worked through in the future.

We applaud you for your leadership in this area. We hope that you will continue to work to make high quality community college education and training readily available to all Americans.

Sincerely,



David Pierce
President, AACC



Ray Taylor
President, ACCT

Attachments

AACC Community College Presidents
Supporting President Clinton's "Hope Scholarship Tax Credit"

David Bartley, President	Holyoke Community College	Holyoke, MA
Jacqueline Belcher, President	DeKalb College	Decatur, GA
George Boggs, Superintendent, President	Palomar College	San Marcos, CA
Karen Bowyer, President	Dyersburg State Community College	Dyersburg, TN
Julius Brown, President	George C. Wallace State Community College	Selma, AL
Donald W. Bryant, President	Carteret Community College	Morehead City, NC
Walter Bumphus, President	Brookhaven College	Farmers Branch, TX
John Cavan, President	Southside Virginia Community College	Alberta, VA
John Davitt, President	Glendale Community College	Glendale, CA
Amila Fisher, Chancellor	Yosemite Community College District	Modesto, CA
Leonardo de la Garza, President	Santa Fe Community College	Santa Fe, NM
Mary Ellen Duncan, President	SUNY College of Technology-Dehli	Dehli, NY
Augustine Gallego, Chancellor	San Diego Community College District	San Diego, CA
Steven Jones, President	Phillip County Community College	Helena, AR
Edward Liston, President	Community College of Rhode Island	Warwick, WI
E. Ann McGee, President	Seminole Community College	Sanford, FL
Robert Messina, President	Burlington County College	Pemberton, NJ
Harold Mitchell, President	Roanoke-Chowan Community College	Ahoskie, NC
Leila Gonzalez Sullivan Interim President	Gateway Community-Technical College-Long Warf	New Haven, CT
Paul Thompson, President	William Rainey Harper College	Palatine, IL
Berry Sue Thornton, President	Cuyahoga Community College District	Cleveland, OH
Belle Wheelan, President	Central Virginia Community College	Lynchburg, VA

TRUSTEES

ACCT BOARD MEMBERS Individually Supporting the Proposal

Helen M. Newsome	Roanoke-Chowan Community College, NC
Talmage Penland	Asheville-Buncombe Technical C.C., NC
Dennis E. Christensen	Central Wyoming College, WY
Montez C. Martin, Jr.	Trident Technical College, SC
Marsha a. Stoltman	Mercer County Community College, NJ
David Mathis	Mohawk Valley Community College, NY
Gene E. McDonald	Westmoreland Couty Community College, PA
Maureen Grady	Clark State Community College, OH
Richard Anderson	College of Lake County, IL
Isobel F. Dvorsky	Chabot-Las Positas Comm. Coll. Dist., CA
Linda Gallen	Manatee Community College, FL
Jean B. Peden	Mississippi Gulf Coast, C. C. Dist., MS
Bruce A. Austin	Houston Community College System, TX
James E. Sherrill	Centralia College, WA
Linda Rosenthal	Maricopa County Comm. Coll. Dist., AZ
Lydia Santibanez	Temple Junior College, TX
Jo Ann Sharp	Seward County Community College, KS
Joan Jenstead	Waukesha County Technical College, WI
Willie Culpepper	Hawkeye Community College, IA

OTHER TRUSTEES

William A. Conner	Sussex County Community College, NJ
Ray D. Steffler	Butler County Community College, PA

OTHER TRUSTEES (continues)

Elayne Hettleman	Community Colleges of Baltimore, MD
Jimmy L. Strayhorn	Anson Community College, NC
Joseph C. Volk	Lehigh Carbon Community College, PA
Jack Ramsey	Northeast Mississippi Comm. Coll., MS
James R. Strickland	Coastal Carolina Community College, NC
Josephine Elliott	Craven Community College, MD
John O Cunningham, Sr.	Northeast Mississippi Comm. Coll., MS
Helen B. Dowdy	North Carolina Assn. of Com. Colleges
Julius A. Fulmore	Guilford Technical Community College, NC
Nan P. Manuel	Guilford Technical Community College, NC
Paul Maultsby	Wake Technical Community College, NC
Beth Hattaway	Seminole Community College, FL
Dorothy S. Baldwin	McDowell Technical College, NC
Jadie Barringer	Gloucester County College, NJ
Mark Fazzini	Prairie State College, IL
Talmadge Portis	Hinds Community College District, MS
Lillie J. Solomon	Halifax Community College, NC
Gretchen H. Kingsley	Connecticut Community Technical College
Charlie R. Linville	Forsyth Technical Community College, NC
Eugene B. Williams	Lenoir Community College, NC
Brad W. Young	Frederick Community College, MD
Raymond C. Siniawski	Community College of Allegheny Co., PA
John M. Sledge	Sandhills Community College, NC
Nellie J. Fennell	Roanoke-Chowan Community College, NC

Walter R. Stancil
James F. Strickland
Robert C. Wrenn
Ethel H. Hall
R. Henderson Scott
Jacqueline L. Holland
Jean Bond
Louise Muse
Wallace W. Gee
Helen Euliss
Hanna C. Kutteh
Geraldine Barres
Jack L. Moore
Joe Underwood
Melanie Jackson
Robert Watters
Joyce Moore
Daphne Yeomans
Don H. Perry
W. Joseph Seel
Robert L. Edwards
John O. Tilson
T. C. Smith
James V. Cerra
Marlin J. Herring
Virginia N. Scott

Richmond Community College, NC
James Sprunt Community College, NC
Virginia State Board for Comm. Colleges
Alabama State Dept. of Postsecondary Ed.
Alamance Community College, NC
Rockland Community College, NY
Pines Technical College, MN
Pamlico Community College, NC
Alamance Community College, NC
Alamance Community College, NC
Mitchell Community College, NC
Mississippi Gulf Coast Com. Col. Dist.
Halifax Community College, NC
Sampson Community College, NC
Northern Virginia Community College
Mississippi Gulf Coast Comm. Col. Dist.
Pamlico Community College, NC
Pamlico Community College, NC
Wake Technical Community College, NC
Southwestern Community College, NC
Asheville-Buncombe Tech. Com. Coll., NC
Asheville-Buncombe Tech. Com. Coll., NC
Lenoir Community College, NC
Mississippi Gulf Coast Com. Coll. Dist.
Coastal Carolina Community College, NC
Cloucester County College, NJ

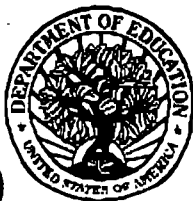
Joyce Ellis	McDowell Technical Community College, NC
Douglas C. Johnson	Martin Community College, NC
J. Carroll Jones	Martin Community College, NC
Troy Holliday	Northeast Mississippi Community College
Edward C. Sanders	Westart Community College, AR
Sarah Kittner	Halifax Community College, NC
Jessie M. Jones	Edgecombe Community College, NC
C. Louis Shields	Coastal Carolina Community College, NC
Noel B. Jones	Martin Community College, NC
James Morgan	Coastal Carolina Community College, NC
Sidney R. French	Craven Community College, NC
Bernella W. Delamora	Halifax Community College, NC
Herbert S. Stewart	Polk Community College, FL
Billie J. Reynolds	Indian River Community College, FL
Frankie F. Young	Halifax Community College, NC
Laura J. Bohm	Genesee Community College, NY
Alden E. Starnes	Caldwell Comm. Coll. & Tech. Inst., NC
Claiborne T. Richardson	Northern Virginia Community College
William S. Stone	Caldwell Comm. Coll. & Tech. Inst., NC
Bert Unger	Richmond Community College, NC
Sally R. Merrifield	Okaloosa-Wilton Community College, FL
David E. Jordan	James Sprunt Community College, NC
L. J. Lacina	Blinn College, TX
Sara Q. Brown	Haywood Community College, NC
Grovene Russell	Haywood Community College, NC
Robert L. Rugendall	Harrisburg Area Community College, PA

W. Terry Whisnant

William H. Murray

Southside Virginia Community College

Horry-Georgetown Technical College, SC



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

TO: Gene Sperling, NEC FAX: 456-5804 2878
Chris Balderston, Cabinet Affairs FAX: 456-6704

FROM: Susan Frost, U.S. Dept. Of Education

DATE: Wednesday, June 5

RE: HOPE Scholarships Amplification through Education Associations

At the same time the President was giving his speech at Princeton yesterday, Secretary Riley met with the Higher Ed Secretariat to brief them on the President's proposal. Those on the attached list were in attendance. (Attached list #1)

Of this group, four association presidents were immediately ready to talk about the proposal in a positive fashion. (Attached list #2)

We also asked the associations for additional names of individual college presidents who would say positive things about the President's proposal. (Attached list #3). David Frank, our new Director of Public Affairs, has been using these last two lists with our education press to amplify the proposal. We are hoping for names of other higher ed presidents from four year institutions later today.

We have also sent, through our E-mail list serve, the President's Princeton speech and Secretary Riley's remarks to 25 Public Affairs Directors of major education associations.

21 pgs
attached

WASHINGTON HIGHER EDUCATION SECRETARIAT
One Dupont Circle, NW • Suite 800 • Washington, DC 20036-1110

List #1

Judith T. Irwin
Executive Secretary

Attendees
at June 4
briefing by
Sec. Riley

TEL: (202) 939-9345
FAX: (202) 833-4723
INTERNET:
Judy_Irwin@ACE.NCHE.EDU

WASHINGTON HIGHER EDUCATION SECRETARIAT

Membership List
(1995-1996)

James B. Appleberry, President, American Association of State Colleges and Universities

Robert H. Atwell, President, American Council on Education

Wayne E. Becraft, Executive Director, American Association of Collegiate Registrars and Admissions Officers

Polly Bednash, Executive Director, American Association of Colleges of Nursing

Shelia T. Bell, Executive Director, National Association of College and University Attorneys

Stephen J. Blair, President, Career College Association

Paula P. Brownlee, President, Association of American Colleges and Universities

Peter McE. Buchanan, President, Council for Advancement and Support of Education

Mary Burgan, General Secretary, American Association of University Professors

Jordan J. Cohen, M.D., President, Association of American Medical Colleges

Nancy S. Cole, President, Educational Testing Service

Naomi F. Collins, Executive Director, NAFSA: Association of International Educators

Cedric W. Dempsey, President, National Collegiate Athletic Association

Gwendolyn Jordan Dungy, Executive Director, National Association of Student Personnel Administrators

Russell Edgerton, President, American Association for Higher Education

Dorothy C. Fenwick, Executive Director, Commission on Recognition of Postsecondary Accreditation

Richard Ferguson, President, American College Testing Program

Antonio R. Flores, President, Hispanic Association of Colleges and Universities

Paul J. Gallagher, Acting Executive Director, Association of Catholic Colleges and Universities

Philip M. Grier, Executive Director, National Association of
College and University Attorneys

Lynn Gangone, Executive Director, National Association for Women in Education

William Gray, President and Chief Executive Officer, United Negro College Fund

Frank L. Huband, Executive Director, American Society for Engineering Education

David G. Imig, Executive Director, American Association of Colleges for Teacher
Education

Richard T. Ingram, President, Association of Governing Boards of Universities and
Colleges

Susan Jurow, Executive Director, College and University Personnel Association

Kay J. Kohl, Executive Director, National University Continuing Education Association

Jules B. LaPidus, President, Council of Graduate Schools

Wayne Leroy, Executive Vice President, Association of Higher Education Facilities
Officers

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

Dallas Martin, President, National Association of Student Financial Aid Administrators

Carl Monk, Executive Vice President, Association of American Law Schools

James E. Morley Jr., President, National Association of College and University Business
Officers

David R. Pierce, President, American Association of Community Colleges

Cornelius J. Pings, President, Association of American Universities

Henry Ponder, President, National Association for Equal Opportunity in Higher Education
(effective July 1)

Rev. James Sauve, S.J., Executive Director, Association of Jesuit Colleges and
Universities

Allen P. Splete, President, Council of Independent Colleges

Donald M. Stewart, President, (The) College Board

Ray Taylor, President, Association of Community College Trustees

David L. Warren, President, National Association of Independent Colleges and
Universities

June 5, 1996

Anita Harewood, United Negro College Fund

Laura McClintock, United States Student Association

List #2

Dr. David Pierce
President
American Association of Community Colleges
(202) 728-0200, ext. 235

Dr. Peter Magrath
(pronounced McGraw)
National Association of State Universities and Land Grant Colleges
(202) 778-0818

Dr. Dallas Martin
President
National Association of Student Financial Aid Administrators
(202) 785-0453

Dr. David Warren
President
National Association of Independent Colleges and Universities (NAICU)
(202) 785-8865

Presidents to Speak to on Hope Proposal

Phil Day, President
Daytona Beach Community College
1200 Volusia Avenue
Daytona Beach, FL 32114
Phone: (904)255-8131
Fax: (904)254-4440

Jackie Belcher, President
DeKalb College
3251 Panthersville Road
Decatur, GA 30034
Phone: (404)244-2360
Fax: (404)244-2996

Augie Gallego, Chancellor
San Diego Community College District
3375 Camino Del Rio South
San Diego, CA 92108
Phone: (619)584-6957
Fax: (619)584-6541

List #3

Andy Mazarra, President
Henry Ford Community College
5101 Evergreen
Dearborn, MI 48128
Phone: (313)845-9615
Fax: (313)845-6427

Leila Gonzalez Sullivan, Interim President
Gateway Community-Technical
College-Long Warf
60 Sargent Drive
New Haven, CT 06511
Phone: (203)789-7028
Fax: (203)789-6466

Walter Bumphus, President
Brookhaven College
3939 Valley View Lane
Farmers Branch, TX 75244-4997
Phone: (214)860-4809
Fax: (214)860-4165

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OFFSETS

Divider Title: _____

Cost of America's HOPE Scholarship Tax Cut

Balanced Budget Framework. The President's new America's HOPE Scholarship Tax Cut proposal is completely paid for with specific budget savings so that the President's overall plan continues to reach balance in fiscal year 2002.

Current Education Tax Deduction: \$35 Billion FY 1997-2002. The President's current education tax cut -- \$10,000 deduction -- costs \$35 billion over 6 years (FY 1997-2002) and is paid for within the balanced budget plan that has been certified as reaching balance in 2002 by the Congressional Budget Office.

New Proposal: \$42.9 Billion FY 1997-2002. The new combined proposals would be \$42.9 billion. The breakout of these costs are as follows:

	FY 1997-2002 Costs
America's HOPE Scholarship Tax Credit	\$25.1 Billion
\$10,000 Education Tax Deduction	\$17.8 Billion
TOTAL COST	\$42.9 Billion

The additional \$7.9 billion in net new costs are paid for with specific savings listed below:

	FY1997-2002 Savings
Reduction of Sales Source Rule Benefits	\$3.5 Billion
International Departure Fee	\$2.3 Billion
Auction Radio DARS Spectrum	\$2.1 Billion
TOTAL SAVINGS	\$7.9 Billion

NOTE: While the President's new America's HOPE Scholarship Tax Cut has gross costs of \$25.1 billion over FY 1997 to 2002, the net increase in the President's overall education tax cut is only \$7.9 billion because of savings that come from lowering the phase out income limits for joint filers from \$120,000 to \$100,000 under the President's \$10,000 education tax deduction and from families choosing to utilize the new HOPE tax cut instead of the \$10,000 education tax deduction.

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PRELIMINARY TALKING POINTS ON SALES SOURCE RULE

The sales source rule allows an inappropriate use of foreign tax credits. The purpose of the foreign tax credit is to prevent double taxation. Under current law, the sales source rule permits foreign tax credits to be used for more than just preventing double taxation. Specifically, it allows foreign taxes to reduce U.S. income tax from the export of U.S. property that is manufactured in the U.S. and not subject to foreign taxation.

The effect of current law is to provide an incentive for U.S. multi-nationals to operate in high-tax countries. It provides no benefit to U.S. exporters that conduct all their business activities within the United States. Export benefits should be targeted equally to all exporters.

Critics will say that this proposal will encourage U.S. companies to shift their activities abroad to create "real" foreign source income. We believe the change will not have this affect, will reduce a windfall, and may in fact encourage operations in the United States rather than in high tax foreign countries.

The sales source rule allows the use of foreign tax credits against U.S. tax on export sales income. In the 70 years since the 50-percent rule of present law has been in place, the United States has established an income tax treaty program that encompasses more than 50 countries. These treaties protect export sales income from local taxation in the country where the goods are sold. Now that export sales income is not subject to any foreign tax, it is not appropriate to maintain the existing allowance of foreign tax credits against that income.

Imagine two U.S. companies, each of which earns \$1000 from manufacturing widgets in the United States and selling them abroad. Present law allows each company to treat \$500 as U.S. manufacturing income and \$500 of foreign sales income. One of these companies does nothing but U.S. manufacturing and foreign sales; it pays 35 percent U.S. tax on all its income, for a total U.S. tax bill of \$350. The other company manufactures widgets here and in Europe, and has \$150 of excess foreign tax credits from its high-taxed European operations. Present law permits this company to apply the \$150 of excess foreign tax credits to its sales income from the U.S. exports, and pay only \$200 of U.S. tax. Under the President's proposal, only \$250 of the export income would be treated as foreign sales income. The first company would pay the same \$350 of U.S. tax that it currently pays. The second company, however, would be permitted to apply only \$87.50 of its excess foreign tax credits to its export income, and would pay \$262.50 of U.S. tax.

REDUCTION OF SALES SOURCE RULE BENEFITS

The proposal would limit the ability of multinational corporations to decrease their U.S. tax liability inappropriately, by reducing the amount of export sales income that they may treat as derived from foreign sources. Under current law, the sales source rule generally permits multinational corporations that also export U.S. products to treat half of their export profits as income from sales activities, and therefore as foreign source income, even though the economic activity that produced the export profits may have occurred entirely within the United States. The source of income is relevant to the determination of a U.S. taxpayer's foreign tax credit. By increasing the amount of income treated as foreign source, a taxpayer with "excess" foreign tax credits can increase its utilization of foreign tax credits and therefore pay less U.S. tax on the same income. The sales source rule of present law provides generous tax benefits to U.S. exporters that also conduct foreign manufacturing or other high-taxed foreign operations, but provides no benefit at all to U.S. exporters that conduct all their business activities within the United States. The proposal would reduce the percentage of export profits that generally is treated as sales (and thus foreign) income from 50 percent to 25 percent.

The provision would be effective for taxable years beginning after the date of enactment.

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Savings

Radio Auction DARS Spectrum
(FY 1997 - 2002)

\$2.1 Billion

Description: Another option, scored above, would be to auction 25Mhz of spectrum currently reserved for digital audio radio services (DARS) for subscription based wireless services. The FCC had originally allocated 50 Mhz for DARS, which would provide 4 channels of a national, subscription-based radio service. Due to interference problems with Canada, DARS would be allocated 2 channels instead of 4, freeing up 25 Mhz for auction. The revenues of auctioning 25 Mhz of spectrum are estimated at \$2.1B by CBO and OMB. These auctions could be done in any year.

Savings

International Departure Tax
(FY 1997 - 2002)

\$2.3 Billion

Description: The President's FY '97 Budget assumes that the currently expired aviation excise taxes, including the \$6 per passenger international departure tax, will be reinstated in August, 1996. This offset proposal would increase the per passenger tax from \$6 to \$16.

Savings

Reduction of Sales Source Rule Benefits
(FY 1997 - 2002)

\$4 Billion

Description: The proposal would limit the ability of multinational corporations to decrease their U.S. tax liability inappropriately, by reducing the amount of export sales income that they may treat as derived from foreign sources. Under current law, the sales source rule generally permits multinational corporations that also exports U.S. products to treat half of their export profits as income from sales activities, and therefore as foreign source income, even though the economic activity that produced the export profits may have occurred entirely within the United States. The source of income is relevant to the determination of a U.S. taxpayer's foreign tax credit. By increasing the amount of income treated as foreign source, a taxpayer with "excess" foreign tax credits can increase its utilization of foreign tax credits and therefore pay less U.S. tax on the same income. The sales source rule of present law provides generous tax benefits to U.S. exports that also conduct foreign manufacturing or other high-taxed foreign operations, but provides no benefit at all to U.S. exporters that conduct all their business activities within the United States. The proposal would reduce the percentage of export profits that generally is treated as sales (and thus foreign) income from 50 percent to 25 percent.

The provision would be effective for taxable years beginning after the date of enactment.

17.3

7.9

~~25.2~~

Savings

Radio Auction DARS Spectrum
(FY 1997 - 2000)

\$2.1 Billion

Description: Another option, scored above, would be to auction 25Mhz of spectrum currently reserved for digital audio radio services (DARS) for subscription based wireless services. The FCC had originally allocated 50 Mhz for DARS, which would provide 4 channels of a national, subscription-based radio service. Due to interference problems with Canada, DARS would be allocated 2 channels instead of 4, freeing up 25 Mhz for auction. The revenues of auctioning 25 Mhz of spectrum are estimated at \$2.1B by CBO and OMB. These auctions could be done in any year.

Savings

International Departure Tax
(FY 1997 - 2000)

\$2.3 Billion

Description: The President's FY '97 Budget assumes that the currently expired aviation excise taxes, including the \$6 per passenger international departure tax, will be reinstated in August, 1996. This offset proposal would increase the per passenger tax from \$6 to \$16.

Reduction in Foreign Sales Source Rule:

This reform of the foreign sales source rule will reduce the ability of multinational corporations with operations in high tax foreign countries to reduce their U.S. tax liability by claiming foreign tax credits on what is really U.S. source income.

[OR 2nd choice: reduce their ability to take advantage of a rule designed to prevent double taxation. Companies shouldn't be using the rule to get a tax break just for operating in high-tax countries.]

International Departure Fee:

The money from the international departure fee increase will go to the Airport and Airways Trust Fund. The revenues from the Fund go for airport construction and for FAA operations, capital program, and research.

If pushed: Putting the receipts into the Trust Fund reduces the deficit because FAA spending is determined by appropriation, and this change will increase receipts so it will reduce the deficit.

Note: The fee vs. ticket tax is a big political battle among airlines. Airlines argue for a fee or tax depending on their interests. Our budget has a place holder for reenacting the ticket tax, but left open whether it was fee or tax.

Background on Auctioning Radio DARS Spectrum

Under the Clinton Administration, the Federal Communications Commission has begun to auction the right to use portions of the spectrum instead of giving the right away for free. These auctions have been extraordinarily successful, and the proceeds have exceeded what both the Administration and the Congressional Budget Office projected.

The Federal Communications Commission originally allocated 50 Mhz for digital audio radio services (DARS) to provide 4 channels of a national, subscription-based radio service. However, due to much lower interest in DARS than expected and to interference problems with Canada, 50 Mhz and 4 channels are not needed; 25 Mhz of the 50 Mhz originally allocated for DARS can be reallocated to other purposes.

Therefore, this proposal would reassign 25 Mhz of the spectrum originally reserved for DARS, and auction it off for subscription based wireless services (e.g. home banking, shopping, and personal paging). This would be in addition to the broadcast and non-broadcast spectrum already planned to be auction off by the FCC and assumed in the President's balanced budget plan.

THE WHITE HOUSE
WASHINGTON

June 6, 1996

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: GENE SPERLING
BRUCE REED
LORRIE McHUGH

SUBJECT: Media Coverage of the America's HOPE Scholarships Announcement

Your announcement of America's HOPE Scholarships at the Princeton University commencement received enormous press coverage throughout the nation in the two days following the event -- with the overwhelming majority of the coverage being extremely positive. *Attached is a summary of the news coverage, a sampling of nationwide clips, and a page of the best quotes.*

HIGHLIGHTS:

- **Network News Coverage on all 4 Major Networks** -- Including a lead story on *ABC World News Tonight* followed by a profile of the Georgia HOPE Scholarships program.
- **2 Consecutive days of USA Today Articles** -- Including the charts we provided on the cost of average community college tuition in each state and the increases in costs of college tuition as a percentage of family income.
- **2 Consecutive days of New York Times Articles** Including a Front-Page Article and a Mostly Supportive Editorial.
- **3 Washington Post Articles** Including a Front-Page Article and an Editorial.
- **2 New Jersey Star-Ledger Articles** Including a Front-Page Article.
- **Front-Page Articles:**
 - *Washington Post,*
 - *New Jersey Star-Ledger,*
 - *St. Louis Dispatch,*
 - *Chicago Tribune,*
 - *New York Times,*
 - *Minneapolis Star-Tribune,*
 - *Baltimore Sun,*
- **Pictures of the President at the Princeton commencement:**
 - *Los Angeles Times,*
 - *Atlanta Journal Constitution,*
 - *St. Louis Dispatch,*
 - *Richmond Times-Dispatch,*
 - *Miami Herald,*
 - *Louisiana Times-Picayune,*
 - *Washington Times,*
 - *New Jersey Star-Ledger*
 - *Hartford Courant,*
 - *Baltimore Sun,*
 - *Chicago Tribune,*
 - *Asbury Park Press.*

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QUOTES

Divider Title: _____

PRAISE FOR PRESIDENT CLINTON'S ANNOUNCEMENT OF AMERICA'S HOPE SCHOLARSHIPS

- **Senator Bob Dole:** "President Clinton had an idea that was pretty good and that was credits for two-year college students." [Source: Senator Bob Dole, Indianola Iowa campaign event, February 3, 1996]
- **Rep. John Kasich (R-OH):** Response to a question on the President's HOPE Scholarships "...If the President wants to reduce government, empower people, let people keep more of what they earn, I'm all for it. ...I think it is a great idea." [Source: CNN, "Moneyline with Lou Dobbs," May 4, 1996]
- **Governor Zell Miller (D-GA),** "I'm here to tell you this program will work. It's something that will make a difference in the lives of the people of this country. I've seen it work..." [Source: *The Philadelphia Inquirer*, June 6, 1996]
- **Whit Ayres, GOP Pollster.** "The HOPE scholarship has been remarkably successful," [Source: *The Atlanta Constitution*, June 5, 1996]
- **Brit Hume, ABC News:** "Basically, the President is offering everybody in America one year of college, tuition-free" [June 5, 1996]
- **Arnold Packer, Johns Hopkins University's Institute for Policy Studies.** "It seems at first blush to be a good idea. There's a shortage of people with enough education in the work force, and there is evidence, that rising costs are a factor: Over the last few years, tuition has steadily gone up and we've seen a diminution of attendance at community colleges." [Source: *Wall Street Journal*, June 5, 1996]
- **David Pierce, Director of the American Association of Community Colleges.** "Chances are this type of initiative will cause students to enroll in universities, I tend to think there is an overall benefit to all students at all institutions." [Source: *The USA Today*, June 6, 1996]
- **New York Times Editorial:** "[President Clinton] would give a \$1,500 a-year tax credit for two years to families earning up to \$100,000 a year and paying college tuition... The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education -- a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidize pollution." [Source: *New York Times Editorial*, June 5, 1996]
- **Washington Post Editorial:** "Americans are now entitled to 12 years of public education. As the President himself observed yesterday, this [America's HOPE Scholarship] would basically extend the system to 14 years -- make 'two years of college as universal as four...of high school.'" [Source: *Washington Post*, May 5, 1996]

- ***San Francisco Chronicle:*** "Hurray for College Tax Credit...the government could hardly make a better investment in the nation's future. ...And the President deserves praise -- not Dole's knee-jerk political sneering -- for spelling out precisely how he would pay for the plan without increasing the deficit." [Source: *San Francisco Chronicle*, June 5, 1996]
- **Ronald Temple, Chancellor of City Colleges of Chicago:** "In Chicago alone, it would certainly open the door to literally thousands of young and not-so-young people who would otherwise not pursue the option of a college degree," [Source: *The Chicago Tribune*, June 6, 1996]
- ***Wall Street Journal.*** "President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the 'key to a successful future' in an economy that increasingly shortchanges workers. ...To that end, he significantly expanded on his existing proposal for an income-tax deduction covering as much as \$10,000 in post-secondary tuition costs each year for families with annual incomes up to \$100,000. The new plan also would offer a \$1,500 annual tax credit for two years, enough to cover the tuition costs of most community colleges or provide a down payment at four-year institutions." [Source: *Wall Street Journal*, June 6, 1996]

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SUMMARY

Divider Title: _____

SUMMARY OF MEDIA COVERAGE OF THE PRINCETON SPEECH

TELEVISION COVERAGE

- ***NBC Today Show.*** Jim Miklaszewski reported that the President would be traveling to Princeton University to deliver the commencement address and to announce a new tax cut to help pay for college tuition.
- ***ABC Good Morning American.*** Catherine Berger reported that the President would announce a new tax cut for middle-income college students in his Princeton commencement address.
- ***CNN Inside Politics -- Morning Edition.*** Jill Doherty was the first reporter to announce details of the proposal, during an extensive piece immediately prior to the President's speech. Doherty reported that the President would announce a new tax cut to help pay for the first two years of college tuition -- making college free for more than 2/3 of community college students nationwide. Doherty reported that the proposal was modeled on the successful Georgia HOPE Scholarship program.
- ***ABC Evening News -- Lead Story and Follow-up Story on Georgia HOPE Scholarships.*** Anchor Peter Jennings said President Clinton, at a University graduation today, called on all Americans to work for their own prosperity in a new economy by going to college for at least 2 years, and said he would offer a tax credit to everyone who wanted to go. Brit Hume said, "Basically, the President is offering everybody in America one year of college, tuition-free." Hume reported that the White House said the \$7 billion this plan would cost over five years would be covered by raising taxes on multinational corporations, international travelers, and by selling publicly owned radio broadcast frequencies.

Visuals:

- 1) Clip of the President in university dress walking in ceremony.
- 2) Clip of the President: "We will give you a tax credit to pay the college tuition at the average community college for your first year or you can apply the same amount to the first year in a four-year university or college."
- 3) Clip of the President: "If you are 40 and you are worried you need more education to support your family, now you can go part-time, go at night, by all means go to college and we'll pay the tuition."
- 4) Clip of Dole: "There he goes again. Who knows what taxes he'll increase if he should be re-elected."

- **CBS Evening News -- 8th Story in Broadcast.** Dan Rather reported that President Clinton went to Princeton offering tax breaks for college tuition, when he gave the university's commencement address. Rather said that this became the latest round of campaign battle with Dole for control for the national agenda on tax policy. Correspondent Rita Braver said Clinton's tax proposal was aimed at attracting all students into post high school education. Braver said that this plan would work in conjunction with an earlier Clinton proposal that would allow low and middle income families to take a \$10,000 tax deduction for four years of college. Braver said this plan would cost \$7 billion over five years, and the President said he would juggle other programs to pay for it. Braver said the White House tried it to undercut expected tax cuts offered by Dole, who brushed aside Clinton's plan.

Visuals

- 1) Clip of the President: "If you are willing to work hard and take a chance, you can at least go to your local community college."
- 2) Clip of the President: "Your America would be stronger if all Americans have at least a two-year education."
- 3) Clip of Dole: "There he goes again. Who knows what taxes he'll increase if he should be re-elected."

- **NBC Nightly News -- 4th Story in Broadcast.** Tom Brokaw reported that President Clinton tried to catch up to Dole's tax cutting proposals but the sound of Whitewater was heard running through the White House. Correspondent Brian Williams said the White House denies playing "can you top this" or "beat the clock" with Dole on tax cutting. Williams said Clinton gave the commencement address unveiling his idea of a tax cut in the form of education aid for Americans. Williams reported that the President proposed a \$1,500 tax credit per student for the first two years of college provided the student maintains a "B" average and remains drug free."

Visual:

- 1) Clip of the President at the podium at Princeton. No soundbite.

- **CNN -- Numerous Stories Throughout the Day; Featured on *Moneyline* with Lou Dobbs.**

PRINT COVERAGE

- ***Los Angeles Times***. Page 4 of Front Section -- Picture of President Clinton at Princeton. Headline: "Clinton Links Tax Credit, College Fees." Sub-Headline: "Education: The President, at Princeton, proposes a break for up to \$1,500 annually during the first two years of school. The Dole campaign attacks the move as a 'tax increase.'" Lead: "In a commencement address at Princeton University, Clinton said the new tax credit was intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college education."
- ***New York Times***. FRONT PAGE article on the Princeton speech. Headline: "Clinton Proposes U.S. Tax Credits for College Aid : Help for Middle Class...At Princeton Commencement a Move to Beat G.O.P. to Punch on Tax Relief." Lead: "Proclaiming higher education the linchpin of economic progress, President Clinton came to one of the most costly colleges to propose a new \$1,500 tax credit aimed at making the first two years of college for Americans as high school already is."
- ***New York Times***. Editorial. Headline: Tax-Cut Tactics. In this editorial, the New York Times commended your policy: "The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education - a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidizes pollution."
- ***New York Times***. 6/06/96. Page 20 of the Front Section. Headline: "Aid Plan That Inspired Clinton is Success...a free education for high school students with B+ averages."
- ***Wall Street Journal***. Page 16 of Front Section. Headline: "Clinton Greatly Expands Tax-Break Proposal on Tuition Costs for Post-Secondary Education." Lead: "President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the "key to a successful future" in an economy that increasingly shortchanges unskilled workers."
- ***Washington Post***. FRONT PAGE article on the Princeton speech. Headline: "Clinton Calls for College Tax Credit." Sub-Headline: "Proposal Would Allow Refundable Break Worth Up to \$1,500."
- ***Washington Post***. Page 15 of Front Section. Headline: "Opening Bets in the Tax-Cut Sweepstakes." Sub-Headline: "Some Economists and Top Advisors Opposed Clinton's Proposed Break for Higher Education."

- **Washington Post. Editorial.** Headline: There They Go Again - Again. In this editorial the Washington Post criticizes you for the timing and effectiveness of the tax cut, while also addressing impact of the proposed tax cut. "This would make a limited amount of aid pretty close to universal and automatic. Americans now are entitled to 12 years of public education. As the President himself observed yesterday, this would basically extend the system to 14 years instead - make 'two years of college as universal as four...of high school.'"
- **USA Today.** Headline: "Clinton Makes Future His Centerpiece: Campaign will stress economy and education." Insert: "Student tax credit pitched."
- **USA Today.** 6/06/96. Page 3 of Front Section -- Picture of President delivering speech. Headline: "The Economics of Education." Sub-Headline: "Experts Give Tax Credit Mixed Marks."
- **Washington Times.** Picture of President Clinton receiving honorary degree. Headline: "Clinton Urges College-Tuition Tax Credit." Sub-Headline: "Good Students Would Get up to \$1,500 a Year."
- **Atlanta Journal Constitution.** Picture of President arriving at commencement. Headline: "Clinton Plan Borrows from Miller's HOPE." "For Miller, the President's endorsement of HOPE validated what the governor has been saying since HOPE's inception in 1983: It is a program worthy of national emulation."
- **Atlanta Journal Constitution.** Headline: "Tuition Tax Credit Plan Draws Mixed Reaction."
- **New Jersey Star-Ledger.** FRONT PAGE Picture of President at Princeton. Caption: "President Clinton greets the crowd at Princeton University's graduation, where he suggested that America should encourage higher education by giving students a \$1,500 tuition tax credit."
- **New Jersey Star-Ledger.** Page 14 of Front Section. Headline: "Clinton uses Princeton Graduation to Suggest \$1,500 Tuition Credit."
- **New Jersey Star-Ledger.** Page 15 of Front Section -- Picture of President at Princeton. Headline: "Message of Opportunity Rings True Across a Broad Spectrum." Lead: "Speaking at Princeton University, President Clinton invoked the American Dream yesterday and challenged the graduating class of one of the countries most elite institutions to make this a land of opportunity for all."
- **Newsday.** Headline: "Clinton Proposes College Tax Credit."
- **Augusta Chronicle.** Headline: "Clinton Copies HOPE Plan."

- ***Macon Telegraph.*** Article -- Picture of President and Governor Miller. Headline: "Clinton Seeks Tax Break for College Tuition."
- ***Minneapolis Star-Tribune.*** FRONT PAGE. Headline: "Clinton Offers Tax Credit to Help Finance the First Two Years of College...Clinton's call for \$1,500 tuition tax credit raises stakes with Dole."
- ***Detroit Free Press.*** Page 6 of Front Section. Headline: "Clinton Proposes College-Education Tax Credits." Sub-Headline: "GOP Leaders Slam Idea as Campaign Stunt."
- ***St. Louis Dispatch.*** FRONT PAGE Article -- Picture of President at Princeton. Headline: "Clinton Pushes Tax Incentives For Tuition." Sub-Headline: "\$1,500 Credit Per Year Would Offset College Costs."
- ***Hartford Courant.*** Page 4 of Front Section -- Picture of President delivering Princeton Speech. Headline: "Clinton Proposes \$1,500 Tax Credits to Pay for College." Same article as FRONT PAGE of the *Washington Post*.
- ***Richmond Times-Dispatch.*** Page 8 of Front Section -- Picture of President at Princeton. Headline: "Clinton Asks Tax Credits for College."
- ***Baltimore Sun.*** FRONT PAGE Article -- Picture of President receiving honorary degree. Headline: "Clinton Pushes College Tax Credit...Clinton offers tax credit for first 2 years of college." Sub-Headline: "For First 2 years, Eligible Families Could Get \$3,000."
- ***Miami Herald.*** Page 6 of Front Section -- Picture of President. Headline: "Clinton Proposes Tuition Tax Break."
- ***Chicago Tribune.*** FRONT PAGE -- Color Picture of President. Headline: "Clinton Adds Taxes to Campaign's Mix." Sub-Headline: "The Proposal for a Tuition Tax Credit is a Political Broadside in the Presidential Race."
- ***Louisiana Times-Picayune.*** Page 15 of the Front Page -- Picture of President. Headline: "\$1,500 College 'Credit' Offered...Clinton tax plan covers two years."
- ***Detroit News.*** Page 5 of the Front Page. Headline: "Clinton Calls for College Tax Credit." Sub-Headline: "Pushing a \$1,500-a-person plan, President says 'we'll pay the tuition' for the first two years."
- ***San Francisco Chronicle.*** Editorial. Headline: "Hurray for College Tax Credit." In this editorial the San Francisco Chronicle praises you for a plan stating, "the government could hardly make a better investment in the nation's future...Regarding the importance of higher education the President's priorities are in proper order."

- ***Houston Chronicle.*** FRONT PAGE Article. Headline: "Tax Credit for Tuition Proposed; Clinton Plan Offers \$1,500 for College."
- ***Sacramento Bee.*** FRONT PAGE Article. Headline: "Clinton Asks for New Aid for College."
- ***Asbury Park Press*** (Central New Jersey). Picture of President at Princeton. Headline: "Clinton Outlines College Tax Credit Plan at Princeton."
- ***Home News & Tribune*** (New Jersey). Headline: "Clinton Touts \$3,000 in Tuition Breaks at \$120,000 Princeton."
- ***Home News & Tribune*** (New Jersey). Headline: "Clinton Tax Plans Push Higher Education."
- ***Princeton Town Topics.*** Article -- Picture of President delivering speech. Headline: "Clinton Calls for Increased Investment in Education at Princeton University's 249th Commencement."
- ***Trenton Times.*** Headline: "College Credit Pitch Commences." Sub-Headline: "Clinton Addresses Princeton Grads."
- ***Trenton Times.*** Headline: "Clinton Follows LBJ, 30 Years Later."

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CLIPS

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NATION



President Clinton is awarded an honorary degree at Princeton University, where he delivered the commencement address. Reuters

Clinton Links Tax Credit, College Fees

■ **Education:** The President, at Princeton, proposes a break for up to \$1,500 annually during first two years of school. The Dole campaign attacks the move as a 'tax increase.'

By RONALD BROWNSTEIN
TIMES POLITICAL WRITER

PRINCETON, N.J.—Appearing at one of the nation's most expensive private universities, President Clinton on Tuesday proposed a new tax credit intended to make college more affordable for all high school graduates.

In a commencement address at Princeton University, Clinton said the new tax credit was intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college education.

With earnings increasingly tied to education, Clinton said, "Our goal must be nothing less than to make the 13th and 14th year of education as universal as the first 12 are today."

To reach that goal, Clinton proposed a tax credit for tuition costs of up to \$1,500 annually during the first two years of college. Such a subsidy, Clinton argued, would allow all Americans to afford at least a community college education.

Clinton's call for a new tuition tax credit ended the bidding in the election-year tax-cutting competition between Clinton and Texas Sen. Bob Dole, the presumptive GOP nominee who has been considering a variety of tax reduction plans.

Dole campaign officials refused to even recognize Clinton's proposal as a tax cut, denouncing it as a "tax increase." That's because Clinton said he would pay for it partly by raising fees on passengers leaving the U.S. on international flights to \$16 from

\$8, and reducing a tax credit for U.S. companies with international sales. The White House said it would cover the plan's remaining cost by auctioning off part of the radio spectrum now used for subscription-based wireless services.

"There he goes again," Dole said, parroting a line GOP presidential candidate Ronald Reagan used against then-President Carter in a 1980 debate. "Who knows what taxes he'll increase if he should be reelected."

The proposed tax credit would cover only a small share of the tuition at elite private schools such as Princeton, which charges \$21,000 annually.

But White House officials said the credit—which provides a dollar for dollar reduction in federal taxes—would offset the full cost of tuition for two-thirds of the nation's community college students; the average tuition at California community colleges is \$363 annually, according to Department of Education figures.

Under the proposal, high school graduates would be eligible for the credit during their first year in college; to retain eligibility for the second year, students would have to earn at least a B average and avoid drug-related convictions.

Just under half the work force now has only a high school degree or less; the rest divides equally between those with at least a four-year college degree, and those with some college but not a four-year degree, according to the Bureau of Labor Statistics. In the last 20 years, the gap between the earnings of college-educated workers and

those without advanced education has sharply widened.

"More than ever before in the history of the United States, education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy," Clinton said. "Now, we have to work to give every American that kind of opportunity."

With Congress unlikely to act on the tax credit idea this year, the proposal was noteworthy mostly for illuminating Clinton's continuing efforts to define a politically defensible role for Washington in what he christened Tuesday as "a new progressive era."

While Dole and the Republican Congress have argued that the key to economic and social renewal is retrenching the role of government, Clinton continues to argue for government intervention, particularly in increasing access to education and training.

Clinton's call for this new tax credit builds on and overlaps his earlier proposal for a \$10,000 tuition deduction. The deduction would allow families to reduce their taxable income by up to \$10,000 in tuition costs for any form of college or postgraduate education; the credit would reduce a family's actual tax bill by up to \$1,500 annually for the first two years of college expenses.

The credit would be "refundable," which means that if a family's tax burden was less than the value of the credit, it would receive the balance as a refund from the government.

Clinton aides said families could employ either the tax deduction or the credit, but not both. The administration said the credit and deduction would cost \$43 billion annually.

WEDNESDAY, JUNE 5, 1996

CLINTON PROPOSES U.S. TAX CREDITS FOR COLLEGE AID

HELP FOR MIDDLE CLASS

At Princeton Commencement, a Move to Beat G.O.P. to Punch on Tax Relief

AI

By TODD S. PURDUM

PRINCETON, N.J., June 4 — Proclaiming higher education the linchpin of economic progress, President Clinton came to one of the most costly colleges in the nation today to propose a new \$1,500 tax credit aimed at making the first two years of college as commonplace for Americans as high school already is.

With Senator Bob Dole and other Republicans weighing proposals for an across-the-board tax cut of up to 15 percent, Mr. Clinton used a commencement address at Princeton University to argue once again for smaller, more targeted relief to help finance post-secondary education into the next century.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Mr. Clinton told graduates at the university's 249th commencement in front of Nassau Hall, the main campus building, which served briefly as the Capitol of the newly independent United States in 1783. (Excerpts, page B6.)

Mr. Clinton's proposal had been under consideration for months but was sped up in recent days to beat Republicans to the tax-cutting punch, and was finished only Monday night. The plan — which would supplement the President's longstanding proposal for a \$10,000 annual tax deduction for college or vocational education, an idea that has languished in the Republican-controlled Congress for 18 months — would require Congressional approval.

Under the plan announced today, families earning up to \$100,000 a year could choose either a single \$10,000 deduction for the whole family or a direct \$1,500 tax credit for each eligible child, available in the form of a rebate even to those whose taxes are already paid.

The Administration chose \$1,500 because it is slightly above the average nationwide tuition for community colleges, but the money could be applied for any college, public or private, including Princeton, where it would cover just 5 percent of the estimated total annual cost of \$29,400.

White House aides noted that the credit would be more helpful to the typical middle-class family than the earlier proposal for a tax deduction, which would disproportionately help those at higher income levels who itemize deductions.

The program would add about \$8 billion to the estimated \$35 billion cost of the tax deduction over the next six years. Mr. Clinton would finance it through various means: by partly closing a tax loophole on exports by multinational corporations that do business in the United States, by auctioning off radio frequencies for wireless services like paging and home banking, and by increasing the international airline departure tax by \$10, to \$16 per passenger.

Continued on Page B6, Column 1

Continued From Page A1

In proposing a new tax break for education even before his previous proposal has made any legislative progress, the President showed both the limits of his power and the popular appeal of the idea. Indeed, when Mr. Dole faulted Mr. Clinton today for the revenue increases that would be used to pay for the program, the White House swiftly distributed a transcript of a statement by Mr. Dole in February praising the President's idea for tax credits.

The transcript shows that while campaigning in Iowa on Feb. 3, Mr. Dole recalled Congressional talks with the White House over balancing the budget, and said, "I must say, on the junior college level, community college level, in this, in all these 50 hours of talks we talked about, President Clinton had an idea that was pretty good, and that was credits for two-year college students."

Any student would be eligible for the credit for one year; to retain it for the second, he or she would have to maintain a B average and stay off drugs, defined as having no felony drug convictions.

Mr. Clinton modeled the program, which he called "Hope Scholarships," on a program of the same name developed by Gov. Zell Miller of Georgia. Mr. Miller came with him today to promote his idea, which guarantees free public college tuition to any student in the state with a B average.

"It's America's most basic bargain," Mr. Clinton told the graduates. "We'll help create opportunity if you'll take responsibility. That is the basic bargain that has made us a great nation."

Mr. Clinton became the third American President to address a major Princeton ceremony in the last century, and the 18th to receive an honorary degree, but the first sitting President ever to address a commencement here.

Grover Cleveland spoke at a university convocation 100 years ago,

and Harry Truman did so in 1947, in honor of the university's bicentennial.

On the university's 150th anniversary in 1896, Woodrow Wilson, then a professor, delivered an address titled "Princeton in the Nation's Service," which has since become the university's informal motto, and Mr.

Clinton harked back to that theme.

"In 1996, like 1896, we really do stand at the dawn of a profoundly new era," Mr. Clinton said. "I have called it the Age of Possibility because of the revolution in information and technology and market capitalism sweeping the globe — a world no longer divided by the Cold War. Just consider this: there's more computer power in a Ford Taurus every one of you can buy and drive to the supermarket than there was in Apollo 11 when Neil Armstrong took it to the moon."

Mr. Clinton said that expanding

access to higher education would benefit not only the students who receive it, but society as a whole.

"So I ask you never to be satisfied with an age of probability for only the sons and daughters of Princeton," Mr. Clinton said. "You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together. You will, of course, have the ability to succeed in the global economy, even if you have to secede from those Americans trapped in the old economy. But you should not walk away from our common purpose."

A 20

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVIL E. DRYFOOS, Publisher 1961-1963
ARTHUR OCHS SULZBERGER, Publisher 1963-1992

Tax-Cut Tactics

President Clinton is redefining the art of political response. He moves before his opponent has done anything requiring a response. Last month the President embraced the Wisconsin welfare plan a few days before Bob Dole was to appear with its author, Gov. Tommy Thompson. Yesterday Mr. Clinton jumped ahead of Mr. Dole's expected tax-cut proposal with one of his own. Mr. Clinton's plan is shrewd politics but disagreeable public policy.

The President would give a \$1,500-a-year tax credit for two years to families earning up to \$100,000 a year and paying college tuition. Families too poor to owe taxes would receive the subsidy in cash. The student would have to maintain at least a B average — which seems impressively strict until one notes that in America, as in Lake Wobegon, most students are above average and earn grades of B or higher. The proposal would add an extra \$8 billion to Mr. Clinton's earlier plan to provide tax deductions for postsecondary education.

The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education — a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidizes pollution. Its best feature is that it is modest in size. Even so, if Mr. Clinton were not locked into a perverse bidding war with Mr. Dole, he might have chosen a better way to help students — increase spending on Federal tuition grants under the Pell program. These subsidies are targeted exclusively at needy families. Mr. Clinton's tax credit would shower money on families who can afford college without Federal help. Worse, by cutting tax revenues, he would put

that much extra pressure on Congress to cut discretionary spending, including Federal tuition grants. To his credit, he proposes increased spending on such grants, but the Republican-controlled Congress has disagreed.

The tax-cutting contest is unlikely to stop here, despite both candidates' contradictory pledges to cut the deficit. In a desperate attempt to catch Mr. Clinton, Mr. Dole is flirting with a 10 or 15 percent across-the-board income tax cut, or perhaps dropping the top tax rate from 39 percent to 28 percent. Either way, these ideas could cost hundreds of billions. His proposal is stalled because he knows he must somehow contrive to pay for the cut. But offsetting spending cuts might require him to scare the elderly with huge whacks at Medicare and other entitlements — a tactic that proved devastating to the Republicans in the budget battles with the White House this year.

Mr. Dole's other option is to pretend that his tax plan will spur growth and offset much of the cost. But peddling discredited supply-side nostrums would tarnish his record of fiscal responsibility and open him up to the same charges he levels at Mr. Clinton — that he is an opportunist whose word cannot be trusted.

The larger danger is that Mr. Clinton's tax-credit idea is but the first blow in a long bout with Mr. Dole. Mr. Clinton is clever enough to win the political war. But Mr. Dole could win the policy war, because a Congress that is starved for revenue is a Congress that will starve education, research, training and every other spending program.

Aid Plan That Inspired Clinton Is Success

By PETER APPLEBOME

ATLANTA, June 5 — In proposing a \$1,500 tax credit for college tuition on Tuesday, President Clinton cited as his inspiration an ambitious Georgia scholarship program that is so popular many political analysts view it as the reason Gov. Zell Miller won a second term.

What is subject to debate is how much of Mr. Clinton's plan borrows from the Georgia program, the most ambitious of its kind in the nation, and how much it reflects merely the name and politics.

Financed entirely by a state lottery and known as the Hope Scholarship Program, the Georgia program offers a free college education to all Georgia students who earn a B average in high school and choose to attend a public college, university or technical institute in Georgia.

Those who choose a private institution receive an annual \$3,000 scholarship. Since the program's inception in 1993, 191,300 students have taken advantage of it. For the 1996-1997 school year, \$159 million in lottery revenue has been appropriated for 124,000 Hope scholars.

Mr. Miller, a political ally of Mr. Clinton, said that he and the President had long discussed ways to make college affordable and that Mr. Clinton's initiative was a classic case of a program to address fundamental voter concerns.

"Sure, it's been politically popular here and the reason it has is that it's something that families and parents can see and touch and understand," Mr. Miller said in a telephone interview today. "When families sit around the kitchen table, they're not talking about gays in the military or prayer in school. They're talking about things like whether they can afford to send Junior to college."

But some Georgia Republicans, while acknowledging the enormous popularity of Mr. Miller's program, say Mr. Clinton has embraced only the symbolism of the program.

"President Clinton's plan bears no resemblance to Governor Miller's, despite representations to the contrary," said Whit Ayers, a Republican political consultant. "It's classic Clinton. He says, 'I have in my hand two apples,' and you have to say, 'No, sir, you have an apple and an orange,' and then it comes down to, 'Is

so. Is not. Is so. Is not.'"

Mr. Clinton proposed what he called Hope Scholarships, which would provide two-year \$1,500 tax credits for the families of college students. For the first year of college, a tax credit would be available to the families of all students. But the students would need to maintain a 2.75-grade-point average and stay free of felony drug convictions to earn the second-year credit.

The Georgia program had its genesis in Mr. Miller's successful 1990 gubernatorial campaign, managed by James Carville, the consultant who was a prime architect of Mr. Clinton's 1992 campaign. Mr. Miller's overriding issue was a state lottery to finance educational programs. The main program became the Hope Scholarships.

In the current academic year, the program paid for the education of 43,150 students at public colleges and

A free college education for high school students with B+ averages.

43,840 at public technical institutions and provided a stipend for 29,640 at private colleges.

About 35,000 of nearly 60,000 high school graduates had B averages last year, officials said. A change in the program that goes into effect next fall says all courses counting toward the B average must be academic courses like English, math or science. A recent study found that 44 percent of last year's freshmen would not have qualified if their grade point average had been based only on core academic subjects.

The program was popular from the start, and most political experts say it very easily could have swayed enough Republican-leaning suburban voters to have meant the difference in Mr. Miller's 120,000-vote reelection victory 1994.

Merle Black, a professor of politics and government at Emory University, said Mr. Miller's program was a

political masterwork.

"He'll go down in history with this," Professor Black said. "He figured out a way to finance the education of talented youngsters, and he's paying for it without directly taxing the citizens of the state."

The lottery, he said, was largely paid for by lower-income people who tend not to vote, while the scholarships overwhelmingly went to high-achieving students and better-educated residents who tend to be reliable voters.

But there has been little controversy over who pays for the program and who benefits. Of 16,376 freshmen at public institutions last year, 76 percent were white or Hispanic and 20 percent were black. Whites make up 71 percent of the state population, blacks 27 percent and Hispanics 1.7 percent. Median household income for the Hope recipients was \$44,876. For the state it was \$29,021.

Mr. Black said Mr. Clinton could not hope to duplicate a program offering as much at so little perceived cost as Mr. Miller's program. But he added that he thought Mr. Clinton's program would still have considerable appeal.

"I think this is a winner for the President," he said. "It addresses a tangible economic issue in terms of using government funds as an investment rather than simply as a subsidy, much like the G.I. bill."

Mr. Ayers, the Republican consultant, said that unlike Mr. Miller's program, Mr. Clinton's plan was "a tax increase in disguise."

"I think resistance to tax increases is so great among middle-class families and all Americans that any program that relies on a tax increase is a loser," he said.

Education experts were generally split on Mr. Clinton's plan. Most agreed that it was an attempt to address widespread and realistic worries about the affordability of higher education. But some were skeptical that broad-based tax credits were the way to approach it.

"If there's \$25 billion to invest in addressing this problem," said Lawrence Galdieux, executive director for policy analysis at the College Board in Washington, "I would put it into student aid programs, direct expenditure programs."

Clinton Greatly Expands Tax-Break Proposal On Tuition Costs for Post-Secondary Education

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the "key to a successful future" in an economy that increasingly shortchanges unskilled workers.

But are tax breaks, as he suggested yesterday, the answer for boosting enrollment?

"Our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Mr. Clinton said in a commencement address at Princeton University.

To that end, he significantly expanded on his existing proposal for an income-tax deduction covering as much as \$10,000 in post-secondary tuition costs each year for families with annual incomes up to \$100,000. The new plan also would offer a \$1,500 annual tax credit for two years, enough to cover the tuition costs of most community colleges or provide a down payment at a four-year institution. As a "refundable" credit, even individuals or families too poor to owe federal income

taxes would get the benefit, unlike the deduction.

The tax credit would come with a twist that is unusual for federal programs: It would be performance-based. A student or a student's parents could claim the credit the first year, but the second year's tax break is available only if the student has at least a "B" grade average and no felony drug convictions. In any case, the deduction still would be available for taxpayers.

The proposal certainly has less-than-good prospects in Congress this year, given that Mr. Clinton's earlier education-deduction idea languishes there with the rest of his plan to balance the budget while providing targeted tax cuts. He and the Republican Congress aren't expected to break their impasse over these issues before the election. But should Mr. Clinton get re-elected, "America's Hope Scholarship Tax Cut" — as he calls it — would be a priority.

The administration is also weighing tax incentives to aid first-time homebuyers that the president could announce as early as today. But yesterday, the Republicans, led by likely presidential nominee Robert Dole, were lambasting the education break, calling it an election-year gimmick that comes with a tax increase. Mr. Clinton proposes to pay for the tax cut by higher taxes on multinational corporations' export income, a higher departure fee for international air travel, and an auction of the radio broadcasting spectrum.

But Mr. Dole is considering tax incentives of his own, and his economic advisers wax eloquent on the need for additional federal incentives for post-high-school education and job training. "Investment in human capital yields returns at least as large as investment in physical capital," a group of conservative economists wrote him in a private memo last month on tax-cutting ideas.

So what about Mr. Clinton's tax-cutting idea?

"It seems at first blush to be a good idea," says Arnold Packer, a senior fellow at Johns Hopkins University's Institute for Policy Studies and an expert in issues related to community colleges. "There's a shortage of people with enough education" in the work force, and there is evidence, he says, that rising costs are a factor. "Over the last few years, tuition has steadily gone up and we have seen a diminution of attendance at community colleges."

Mr. Packer acknowledged that "certainly this would be a windfall to people who would have gone to college anyway," but he chose to focus on the benefits to society and the economy of whatever additional numbers could be enticed into higher education or training. In his speech, Mr. Clinton said that people with two years of college earn a quarter-million dollars more over their lifetimes than high-school graduates.

At the Urban Institute, a think tank, economist Eugene Steuerle noted that families' out-of-pocket costs for education "have been the least favored in the tax system." By contrast, he notes, employers have been able to write off their costs of subsidizing workers' education and training costs, and student-aid beneficiaries get their assistance tax-free.

Economist Robert Reischauer, a former director of the Congressional Budget Office, called the Clinton proposal certifiably bad idea. "Like tax breaks generally, he argues, it will subsidize activities — in this case, college education — that many people would have undertaken without the sweetener."

A tax benefit would go to individuals with annual income up to \$70,000, and couples with income up to \$100,000. It would apply to tuition costs for the taxpayer, spouse or dependents. Mr. Reischauer says that the federal Pell Grants program is a better, more efficient way to help needy students and, with a cost this year of about \$7 billion, the aid could be doubled for the cost of the tax breaks Mr. Clinton proposes.

But in this election year, the president isn't aiming to help the needy so much as the politically coveted swing voters in the middle class. Administration officials have in mind a typical family with about \$40,000

How Educated Are We?

Of the 164.5 million Americans over age 25:

- 31.4 million didn't graduate from high school (19%)
- 56.5 million are high-school graduates (34%)
- 28.6 million have some college education, but no degree (17%)
- 11.5 million have a two-year degree (7%)
- 24.2 million have a four-year degree (15%)
- 12.3 million have advanced college degrees (7%)

Source: U.S. Department of Education

a year in income and \$3,000 in tuition costs at a nearby school.

The family is too well off for Pell Grants, and yet its child doesn't go to a college so pricey that the family gets full advantage of the deduction that applies to tuition up to \$10,000. The deduction for the family in the 15% income-tax bracket would be worth \$450 on \$3,000 of tuition. But under Mr. Clinton's new plan, the family could opt for the \$1,500 credit in the first two years.

The cost to the Treasury in lost revenue would be \$42.9 billion over six years, the administration says. That is \$7.9 billion greater than the president's original proposal for just a deduction, which is why the White House had to come up with new savings proposals to offset the loss.

THE WALL STREET JOURNAL

WEDNESDAY, JUNE 5, 1996

Clinton Calls For College Tax Credit

Proposal Would Allow
Refundable Break
Worth Up to \$1,500

By John F. Harris
Washington Post Staff Writer

AT

PRINCETON, N.J., June 4—President Clinton unveiled a hastily assembled, election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton described his plan to use the tax code to create a government entitlement for lower- and middle-income Americans in extravagant terms. It would, he said to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton rushed forward with his plan—which White House aides said they were still fine-tuning late in the night on Monday—at the same time Senate Majority Leader Robert J. Dole (R-Kan.) says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintained a B average in their studies would be eligible for a second \$1,500 credit the next year. The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000, and for couples filing jointly with incomes between \$80,000 and \$100,000.

See CLINTON, A14, Col. 4

CLINTON, From A1

Money for the new plan would be raised in part by reinstating a lapsed aviation tax on departing international flights and raising the per passenger fee from \$6 to \$16.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education. The type of tax credit Clinton has proposed, called a refundable credit, works essentially like a direct payment from the government. Figure what taxes you would ordinarily owe, and then deduct \$1,500, even if that means the government owes you money. Under the tax deduction, you would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Campaigning in suburban Richmond, Dole complained that Clinton's proposal today was no more believable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be reelected."

House Speaker Newt Gingrich (R-Ga.) also dismissed the proposal. "I love watching the president during an election," he told reporters. "I mean, every year he's for tax cuts. But it worries me: Does that mean that in '97 he'll be for a giant tax increase on college students?"

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic advisor Gene Sperling said Clinton had considered the plan last fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the import of Clinton's proposal—at least for the near term—is almost solely political. The reaction of Republicans made plain that the tax credit proposal will languish in Congress just as the tax deduction proposal did.

But from Clinton's perspective, the value of the tax-credit plan is a way of defining himself before the electorate. In balanced-budget discussions, Clinton has said he favors cutting government but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing education would be better for the economy than a broad tax cut, which he claims would disproportionately benefit the rich.

White House aides identified the savings they said would prevent Clinton's proposal—dubbed "HOPE scholarships"—from adding to the deficit. The administration estimates the tax credit, if enacted, would cost about \$25.1 billion between next fiscal year and 2002. However, the availability of a tax credit means that fewer people would be taking advantage of the proposed tax deduction. The net cost, then, would require the administration to come up with an additional \$7.9 billion over the next six years in savings beyond what is presented in Clinton's latest budget proposal.

The administration says it will ask Congress to raise \$2.3 billion by reinstating aviation fees on departing international flights, starting in August of this year. In addition, it envisions raising \$3.5 billion by changing the rules by which multinational corporations avoid taxes on some export income. Another \$2.1 billion would be raised by taking parts of the radio spectrum now reserved for new digital audio services and instead auctioning the band space for "subscription-based wireless services," such as personal paging and home banking.

Clinton made his remarks to a group of students and their families who had paid dearly for their Ivy League education. Princeton's annual comprehensive fee, according to university materials, includes tuition of \$20,960 and living expenses that bring the total to \$29,400.

"You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together," Clinton said. "You will, of course, have the ability to succeed in the global economy, even if you have to secede from those Americans trapped in the old economy," Clinton said. "But you should not work away from our common purpose."

Dole campaigned against the backdrop of a partially finished house in a booming Richmond suburb to highlight his quest for a constitutional amendment requiring a balanced budget, which he plans to bring up for one more vote before he retires from Congress on Tuesday.

Appearing with Virginia Gov. George Allen (R) and Sen. John W. Warner (R-Va.), Dole said if the nation eradicated its deficit, interest rates would fall, making it easier to buy a new home.

He stood in front of the shell of a three-bedroom, two-bathroom house being constructed for Keith Lynch, a 31-year-old meteorologist who is buying it for \$109,950. Lynch had wanted to buy a slightly bigger house—200 square feet larger—just up the street for nearly \$120,000, but decided he couldn't afford it because of interest rates.

Yet Lynch told reporters that he wasn't sure he plans to vote for Dole, even if he did agree to provide a prop for his campaign. "I don't really know right now," he said. "I haven't really decided."

Staff writers Peter Baker in Chester, Va., and John E. Yang in Washington contributed to this report.

THE WASHINGTON POST

WEDNESDAY, JUNE 5, 1996

Opening Bets in the Tax-Cut Sweepstakes

Some Economists and Top Advisers Opposed Clinton's Proposed Break for Higher Education

By Ann Devroy and Clay Chandler
Washington Post Staff Writers

With his election year call for a \$1,500 education tax credit, President Clinton yesterday upped the ante in what is shaping up as a bipartisan bidding war on tax cuts.

White House political advisers hope the proposal—which would be granted for up to two years of schooling at any degree-granting, post-secondary institution—will strengthen Clinton's campaign.

Republican presidential rival Robert J. Dole, who is mulling even larger tax cuts.

The idea, say White House aides, is to burnish Clinton's image as a champion of tax cuts that help the poor and the middle class while painting Dole as a proponent of lucrative tax breaks for the rich.

But Clinton's proposal for new student tax breaks earned low marks from many economists, some of them members of the president's economic team. And it may soon be followed by other targeted tax cuts from the administration, including, possibly, a modest tax incentive for homeowners.

Said Clinton's decision to announce the new education tax credit came more than a week of debate, in which Chief of Staff Leon E. Panetta joined Treasury Secretary Robert E. Rubin, national economic adviser Laura D'Andrea Tyson and budget director Alice M. Rivlin in arguing against the idea.

The group recommended that Clinton stick with his first entry in the tax-cut sweepstakes, the "Middle-Class Bill of Rights" announced the month after Republicans seized control of Congress in 1994.

On the other side of the debate: Clinton's chief political adviser Dick Morris, who has been struck by the favorable response of participants in recent focus groups to the theme of education and job training. Morris and other political advisers urged Clinton to bill his program as two years of government-guaranteed "free education" for students who continue schooling beyond high school, administration colleagues said.

Opposition from the economic team helped persuade Clinton to back the cost of original proposals and to identify specific tax in-

OPINION IS SPLIT

While President Clinton and Sen. Robert J. Dole take turns offering new tax cuts, Americans are not sure middle-class cuts can coincide with deficit reduction—or that such cuts will affect their presidential vote.

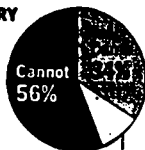
Q: Do you think the government can reduce the federal budget deficit and cut taxes for the middle class at the same time?

LAST WEEK



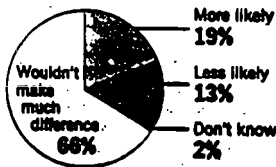
Don't know/no opinion
8%

JANUARY



Don't know/no opinion
10%

Q: If Dole proposed a major tax cut, would that make you more likely or less likely to vote for him for president?



NOTE: The first two questions come from CBS News/New York Times polls. Last week's poll was conducted among a random sample of 850 adults interviewed by telephone May 31-June 2. Margin of sampling error is plus or minus 3 percentage points. The third question comes from a Newsweek poll conducted among a random sample of 761 adults interviewed by telephone May 30-31. Margin of sampling error is plus or minus 4 percentage points.

BY THE WASHINGTON POST

creases to finance the smaller plan, administration officials said.

The \$1,500 refundable credit would expand a proposal in Clinton's last budget plan that offered students or their parents a tax deduction for up to \$10,000 for college or vocational training. Under the proposal announced yesterday, taxpayers would be allowed to choose between a slimmed-down version of the original deduction or the new credit.

The new credit would cost \$7.9 billion more than the previous proposal for the deduction alone. Clinton proposed paying for the plan by auctioning off frequencies on the radio spectrum, raising airport duties on overseas departures and raising taxes on U.S. firms with operations overseas.

Treasury tax estimators spent much of the night Monday running models through their computers to

be able to credibly put out a list of offsets to pay the cost of the new tax break.

In a telephone interview yesterday, Rubin expressed satisfaction with the outcome. "This establishes a new standard of responsibility that all should adhere to: any tax cuts must be paid for with real and serious offsets," he said.

Putting a finer political point on it, White House senior adviser George Stephanopoulos said, "Our tax cuts are tightly focused, mostly on education and training, targeted to the middle class and fully paid for. [Republicans] want big tax cuts to help the wealthy. That's the difference."

The tax credit proposal was pushed by Clinton's political advisers as being relatively cheap but wildly popular in one state where it is already in play, Georgia. Some credit popularity of that program and its

resonance with middle-class and poor Georgians as a central element in the reelection of Gov. Zell Miller (D) in 1994, a bad year for Democrats, particularly in the South. "I think it re-elected him," said James Carville, a Clinton adviser and a political and social friend of Miller.

Pointing to Clinton's December tax package, and his repeated statements last year that he may have raised taxes too much his first years in office, some advisers raised concerns the administration will be overly receptive to new tax break suggestions.

"There is a lot of concern this could get out of control," said one aide, noting Morris "has a tendency to want to match and raise Dole" on all fronts.

Several economists said yesterday that money spent on the Clinton educational credit would mostly end up lining the pockets of students planning to further their education anyway.

"These sorts of things tend to have very low bang for the buck," said the Brookings Institution's Barry Bosworth, a former Carter administration economist, who noted, "we already have an elaborate system in place for offering financial assistance to those who qualify." Academic evidence suggests "the real problem isn't money, it's either that students have no interest in more schooling or they underestimate its future benefits," Bosworth said.

Other experts criticized the tax break as a disguised government subsidy whose primary effect would be inflated tuition costs.

Even some of Clinton's education advisers were dubious about some aspects of yesterday's proposals. Education Secretary Richard W. Riley signed off on the idea, administration officials said, but raised concerns about tying the tax credit in the second year to students' achieving B averages.

The fear, echoed by officials in other departments, is that community college teachers all over the country would feel responsible for students losing out on a college education if they don't give B grades or higher. As one aide put it: "There was a sense from some that this was good social policy and good tax policy, perhaps, but that part was not good education policy."

The Washington Post

AN INDEPENDENT NEWSPAPER

There They Go Again—Again

WHITE HOUSE Chief of Staff Leon Panetta is quoted as having said last week that the administration didn't want to "engage in a bidding war on tax cuts." "Our viewpoint is that we need to have a steady course here." But steady doesn't mean forever. This week there was a bit of an argument among the president's advisers, the usual kind between those who worry more about the wrapping than the content, and those who, rightly, worry more about the content. The wrong side won, and yesterday in a commencement speech at Princeton, the president proposed a new college tuition tax credit.

Aides will tell you this is different from the tax cuts the Republicans continue to propose, because theirs are larger ("gigantic," White House press secretary Michael McCurry called them yesterday) while the president's are "targeted," meaning better aimed at the middle class and, in this case, limited to a particular laudable purpose—the furthering of higher education—as well.

The aides point out that the president had already proposed in his budget that families up to certain income levels be allowed to deduct some higher-education costs. Deductions are worth more to higher-income families. A credit would make the same benefit available to lower-income families as well and in that sense is good tax policy. The additional cost would be modest, and the president was also proposing a way to pay it, so as not to increase the deficit. And who could be against helping more lower-income people get to college?

But in fact what the president is proposing—

deduction and credit combined—would be a much larger step than the rhetoric surrounding it suggests. It would not be just a tax cut but a fundamental change by another name in the national system of financing higher education. The government has been providing aid to higher education in significant amounts through student grants and loans for 30 years. Throughout that era there have been debates about how broad to make the aid programs. This would make a limited amount of such aid pretty close to universal and automatic. Americans now are entitled to 12 years of public education. As the president himself observed yesterday, this would basically extend the system to 14 years instead—make "two years of college as universal as four . . . of high school."

Is that the right thing to do? In a world where education seems to be the principal determinant of income, Mr. Clinton says yes, and maybe he's right. But it isn't as clear as he makes it out to be. If billions of dollars more are going to be spent on education, is the society better off spending them on higher education or in elementary schools? Would the president's tax proposals really have that much effect on who attends college, or mainly subsidize those who would be attending anyway? Would the real beneficiaries be the students, or would schools simply be freer to raise their fees?

These are hardly idle questions. The answers deserve to be more than footnotes to an election-year tax proposal. Mr. Panetta may wish the administration were not engaged in a bidding war. So do we—but it is.

Clinton makes future his centerpiece

Campaign will stress economy and education

By Bill Nichols
USA TODAY

PRINCETON, N.J. — Princeton University's class of '96 probably will never forget what President Clinton had to say to them in his commencement address Tuesday at the university's 249th graduation ceremony.

But Clinton's political opponents also may want to commit to memory this third in the president's series of commencement addresses this spring, because it's one of his clearest blueprints yet for how he thinks he can get re-elected.

The news of Clinton's speech was his announcement of a proposal for a tax credit of up to \$1,500 for students to use for a first year of college.

But the broader context of Clinton's speech laid out three of the major themes White House officials believe will be crucial in defeating Republican opponent Bob Dole.

► The importance of education as a tool for prospering in a changing economy.

"Education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy," he said.

► An insistence that tax relief be small in scope, fully paid for and targeted in such a way that it increases opportunities for lower and middle-income people.

► A relentless focus, faced with a 72-year-old opponent, on the future. If Clinton's 1992 campaign slogan were to be updated for this race, it would be: "It's the 21st century, stupid."

Clinton spoke of his administration as a modern-day counterpart to the Progressive Era at the beginning of the century, a metaphor aides have used recently as a populist theme for Clinton's second term.

"We have got to increase the quality and the level of education, not just for the graduates of Princeton and Georgetown and Yale and the state universities of this country, but for all the American people," he said.

The tax credit, aides said, is something Clinton has long wanted to do. But they have privately admitted that the

plan has virtually no chance of being passed by the current Congress.

Dole, campaigning in Chester, Va., responded to the proposal by noting that Clinton had promised a middle-class tax cut in 1992, only to increase taxes after taking office.

"There he goes again," Dole said, borrowing Ronald Reagan's 1980 put-down of President Carter. "Who knows what taxes he'll increase if he should be re-elected."

The White House staff responded by distributing a statement Dole made Feb. 3 in Iowa. Dole said during budget negotiations that "President Clinton had an idea that was pretty good, cred- year college dem."

The credit would be called a "Hope Scholarship" after a similar program in Georgia.

Clinton already has proposed a \$10,000 education tax deduction as part of his balanced-budget proposal. Students could receive either the Hope scholarship or the \$10,000 deduction in any year. The deduction is \$10,000 per family, while the tax credit is \$1,500 per student.

A tax deduction is subtracted from the amount of income subject to taxation.

The refundable tax credit would allow recipients to deduct up to \$1,500 from the amount of tax they owe; if they owe less than \$1,500, they would receive a refund.

In keeping with Clinton's emphasis on retraining and life-long learning for adults, a \$750 tax credit also would be provided per year for part-time students until they have completed two full years of college.

On the broader mission of the speech, White House officials say Clinton wanted to draw a contrast with Dole, who is contemplating a broader tax cut, possibly an across-the-board income tax reduction.

And the president's political strategists say the idea of making two years of college a new entitlement will be a central idea of the campaign, and, if Clinton wins, his second term.

USA TODAY •

WEDNESDAY, JUNE 5, 1996

Student tax credit pitched

In a commencement speech Tuesday at Princeton University, President Clinton proposed a refundable tax credit of up to \$1,500 for students in their first year of college.

A similar tax credit would be available for a student's second year if the student is not convicted of any felony drug offenses and earns at least a "B" average in the first year.

"America knows that higher education is the key to the growth we need to lift our country," Clinton said. "I believe the clear facts of this time make it imperative that our goal must be nothing less than the 13th and 14th years of education as universal to all Americans as the first 12 are today."

Said Labor Secretary Robert Reich: "The new economy requires a work force with at least two years of education and training beyond high school."

The credit would be available to families making up to \$100,000 or single individuals making up to \$70,000.

The tax credit would add approximately \$7.9 billion to the deficit. White House officials proposed offsetting cuts in three major

areas to keep the budget balanced:

► Reducing tax breaks for multinational corporations.

► Auctioning portions of the digital radio spectrum.

► Increasing the international departure fee for airline passengers from \$6 to \$16.

"Chances are this type of initiative will cause students to enroll in universities," said David Pierce, director of the American Association of Community Colleges. "I tend to think there is an overall benefit to all students at all institutions."

But Lawrence Gladieux, executive director for policy analysis at the College Board, an independent research and policy organization, says the Clinton proposal needs "a sharper focus.... This tax policy is not as effective as direct expenditure policies. We have programs that target subsidies more effectively — like Pell Grants and other federal student aid programs."

By Bill Nichols in Princeton, N.J.
Contributing: Tamara Henry

The economics of education

Experts give tax credit mixed marks

By Mimi Hall and Tamara Henry
USA TODAY

The White House calls it a bold plan to change the nation's culture and help make higher education as universal as high school.

Some Republicans call it a crass election-year gimmick.

NEWS ANALYSIS

Economists and educators are split.

What is clear is that President Clinton's proposal to offer a \$1,500 tax credit to college students — a plan touted by economic aide Gene Sperling as designed to "reach a broad range of middle-class families" — would most help the poor.

The tax credit — up to \$1,500 right off a family's tax bill — would be available to families earning up to \$100,000.

For those hard-pressed to come up with \$1,000 for annual tuition at a typical two-year community college, it could make the difference between going to school or not.

In fact, in two-thirds of the states, it would cover the entire cost of tuition at community colleges and technical schools.

But for many of the middle-income families Clinton is aiming to please — families trying to scrape together \$12,000, \$20,000 or even more every year to pay private college tuition — a \$1,500 tax credit would hardly make a dent.

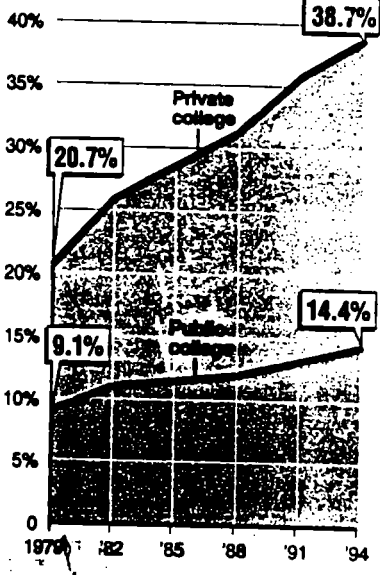
Clinton's plan, announced at Princeton University on Tuesday, offers \$1,500 for the first year of college, junior college or vocational school. If the student, of any age, maintains a "B" average, there's \$1,500 for the second year. If tuition is less than \$1,500, the government keeps the difference.

But analysts wonder if the plan is really the best way to encourage more people to seek higher education. Would it waste money, they ask, by barely helping the middle class and paying an unneeded bonus to wealthier families?

Clinton's "heart is in the right place," says Lawrence Gladieux, director of policy analysis at the College Board. But I don't think it is the right instrument or policy, and I doubt that it would have the intended results."

College costs pinching families

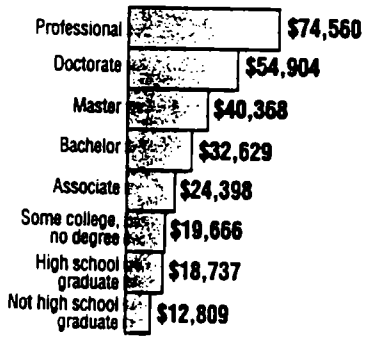
The cost of sending a child to college — tuition, room and board — has been a growing percentage of the typical family's income. In 1994, when median income was \$42,000, education at a public four-year college would take 14.4% of that, and at a private institution 38.7%. The trend:



Sources: U.S. Census Bureau, USA TODAY research, U.S. Education Department

Higher education, higher earnings

Mean annual income in 1992 for people 18 or older, by level of education:



Tax credit effect on a family of four

President Clinton's education tax credit would lower the taxes of a family of four with household income of \$60,000 at the tax rates for 1996:

Adjusted gross income	\$60,000
Itemized deductions	-\$10,000
Personal exemptions (4 X \$2,550)	-\$10,200
Taxable income	\$39,800
Tax: 18%	\$5,970
Proposed education tax credit	-\$1,500
Total tax	\$4,470

By Kevin Pascoe, USA TODAY

Whether that program's level of success could be achieved nationally is unknown. Analysts say there's no way to predict how many more students would attend college.

In California, community college fees are so low the incentive would be slight.

"Conceptually, I think it's terrific," says Linda Michalowski, financial assistance coordinator for the state's 106 community colleges. But "I'm not sure the proposal will do very much for our students."

Others say they're not convinced that a lack of \$1,500 is what keeps students from college. The financial barrier is significant for the poorest families, Gladieux says. But for most of those who quit after high school, "a lack of preparation, lack of guidance and lack of motivation" are the leading factors, he says.

And questions are being raised about whether the tax credit "would give schools an incentive to raise tuition," says Michael McPherson, author of *Keeping College Affordable*.

But perhaps the key question: Will the credit ever become law?

The \$10,000 deduction has been stalled in Congress for 18 months. In this election year, there's no reason to expect anything different for the new proposal.

Says Carol Mowbray, student benefits coordinator for Northern Virginia Community College: "I imagine this would be a tough fight politically."

Sperling says.

If the \$10,000 deduction and the new tax-credit are both passed by Congress, families could not take advantage of both at the same time.

Clinton's tax-credit plan, "Hope Scholarships," is modeled on a state-run program started in Georgia in 1993.

That widely praised program pays for tuition, fees and books at any in-state public college for any student, regardless of family income, who graduates from high school with a "B" average or better. It's renewed every year the student maintains a "B" average and has no felony drug conviction.

At two- and four-year private colleges, it offers \$3,000 a year.

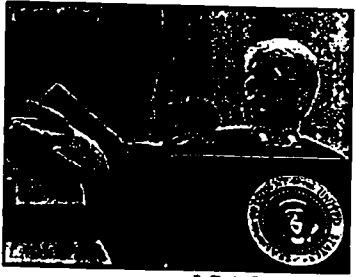
Since the program began, college and technical school enrollment has increased 24%. It is financed through lottery ticket sales.

"The beauty of the Hope Scholarship is that it not only allows people greater access to college but keeps people at Georgia state schools," says Jim Mason, 21, a senior at Georgia Tech.

Sperling says it would help middle-income families more than an earlier Clinton proposal languishing in Congress, a \$10,000 tax deduction. That's because a deduction only reduces a family's taxable income. The family is then taxed on that lower amount, and the reduction in its tax bill may or may not be as much as \$1,500. A credit is a straight dollar-for-dollar cut in a family's tax bill.

Many of those middle-income families are ineligible for federal Pell grants, which are awarded based on family assets, earnings, number of children and the number of children in college. More than 90% of families receiving Pell grants have income of less than \$30,000 a year.

"The tax credit is most beneficial to the families in the \$30,000-to-\$70,000 range,"



By Charles Rex Arbogast, AP
Tax credit President Clinton plans cuts to offset the \$7.9 billion added to the deficit.

The costs, state by state

The average annual college tuition, by state, for 1994-95:

	Community colleges	Public 4-year	Private 4-year
Ala.	\$1,123	\$1,988	\$7,404
Alaska	\$1,320	\$1,909	\$7,950
Ariz.	\$734	\$1,819	\$8,078
Ark.	\$888	\$1,805	\$8,162
Calif.	\$368	\$2,388	\$12,748
Colo.	\$1,279	\$2,237	\$11,710
Conn.	\$1,520	\$3,478	\$18,704
Del.	\$1,268	\$3,663	\$7,187
D.C.	N/A	\$874	\$13,387
Fla.	\$1,112	\$1,784	\$9,941
Ga.	\$1,018	\$1,888	\$8,671
Hawaii	\$500	\$1,452	\$5,951
Idaho	\$880	\$1,497	\$11,248
Ill.	\$1,194	\$3,031	\$11,070
Ind.	\$1,854	\$2,821	\$11,848
Iowa	\$1,899	\$2,352	\$11,430
Kan.	\$1,044	\$1,890	\$8,079
Ky.	\$1,080	\$1,914	\$7,038
La.	\$1,027	\$2,177	\$11,769
Maine	\$2,137	\$3,131	\$15,383
Md.	\$1,848	\$3,111	\$13,792
Mass.	\$2,441	\$4,163	\$15,685
Mich.	\$1,432	\$3,482	\$8,739
Minn.	\$1,928	\$2,783	\$12,233
Miss.	\$836	\$2,368	\$8,288
Mo.	\$1,203	\$2,476	\$9,807
Mont.	\$1,329	\$1,889	\$8,983
Neb.	\$1,097	\$1,936	\$8,897
Nev.	\$843	\$1,532	\$7,484
N.H.	\$2,318	\$3,835	\$12,143
N.J.	\$1,765	\$3,517	\$12,961
N.M.	\$878	\$1,726	\$11,549
N.Y.	\$2,152	\$2,820	\$12,892
N.C.	\$582	\$1,408	\$10,408
N.D.	\$1,889	\$2,124	\$8,653
Ohio	\$2,164	\$3,265	\$11,782
Okla.	\$1,183	\$1,843	\$8,078
Ore.	\$1,324	\$2,831	\$12,969
Pa.	\$1,751	\$4,818	\$13,457
R.I.	\$1,686	\$3,404	\$14,445
S.C.	\$1,048	\$2,895	\$9,122
S.D.	\$3,430	\$2,338	\$8,574
Tenn.	\$875	\$1,796	\$9,210
Texas	\$680	\$1,504	\$8,410
Utah	\$1,840	\$1,888	\$2,814
Vt.	\$2,877	\$5,532	\$15,032
Va.	\$1,984	\$3,846	\$10,309
Wash.	\$1,314	\$2,334	\$12,412
W.Va.	\$1,312	\$1,875	\$9,899
Wis.	\$1,649	\$2,316	\$10,835
Wyo.	\$893	\$1,848	N/A
USA	\$1,194	\$2,537	\$11,522

Source: National Center for Education Statistics

Clinton urges college-tuition tax credit

Good students
would get up to
\$1,500 a year

By Paul Bedard
THE WASHINGTON TIMES

PRINCETON, N.J. — President Clinton yesterday proposed a \$1,500-a-year tax credit for two years for drug-free, above-average college students, to be paid for with a new \$5.8 billion tax package targeting international travelers and multinational corporations.

In a commencement address at Princeton University, Mr. Clinton said he wants to boost the standard 12 years of free education to 14 years and his tax credit, which needs congressional approval, would cover the costs of most community colleges.

"We have got to increase the quality and the level of education not just for the graduates of Princeton and Georgetown and Yale and the state universities of this country but for all American people," Mr. Clinton said.

"This is about more than money. ... This is about giving every single, solitary soul in this country a chance to be more fully alive," said the president, who did not suggest any offsetting spending cuts.

Mr. Clinton, who has signed bills raising taxes by some \$265 billion since taking office, proposed a new, seven-year \$5.8 billion tax package and a \$2.1 billion auction of unused radio frequencies to pay for his college tax credit plan.

The hastily drawn-up proposal is in addition to Mr. Clinton's earlier plan to offer a \$10,000 tax deduction for parents who send their children to college.

Under the plan unveiled here yesterday, everyone who attends college or community college would be eligible for a tax credit of up to \$1,500 for two years so long as they are free of drug convictions and maintain a B average. Those attending part time would also be eligible for the tax credit but only to the extent of their tuition costs for two years.

Clinton economic adviser Gene Sperling said families earning up to \$100,000 could take the \$1,500 tax credit or the larger \$10,000 deduction for one child. Other children would be eligible for the



Princeton University professor John Fleming awards an honorary doctor of laws degree to President Clinton.

\$1,500 tax credit once the \$10,000 tax write-off is taken.

The administration expects parents to use the \$10,000 tax deduction to cover the costs of children attending private colleges and the two-year \$1,500 tax credit for children attending public or community colleges. The average yearly tuition at public or community colleges is \$1,200 nationally, \$1,857 in Maryland, and \$1,382 in Virginia.

The Clinton proposal was the latest example of White House one-upmanship in its day-to-day battles with Senate Majority Leader Bob Dole, the likely GOP presidential nominee, who is considering a larger, across-the-board payroll tax cut. Previously, Mr. Clinton unveiled his support for a tough welfare-reform program just days before Mr. Dole announced his welfare plan.

Campaigning in Chester, Va., Mr. Dole hit the president's plan, claiming, "There he goes again. ... Who knows what taxes he'll increase if he should be re-elected?" But within hours, the White

House campaign research team found a Dole speech given Feb. 3 in Indianola, Iowa, in which the Republican candidate praised the Clinton plan during recent budget talks.

"I might say on the junior college level, community college level ... President Clinton had an idea that was pretty good and that was credits for two-year college students," Mr. Dole said.

Mr. Sperling said the administration decided to boost taxes instead of cutting spending because the president feels government spending has been reduced enough.

The White House said it wants to more than double the \$6-per-passenger departure fee for jet travelers leaving the country to \$16. That would raise \$2.3 billion over seven years, said Mr. Sperling.

Currently the \$6 tax goes to pay for airport repairs, but none of the additional \$10 tax would be used for that purpose, he said. Mr. Sperling conceded that the airport fee

was a convenient target for a new tax because it wouldn't affect many people.

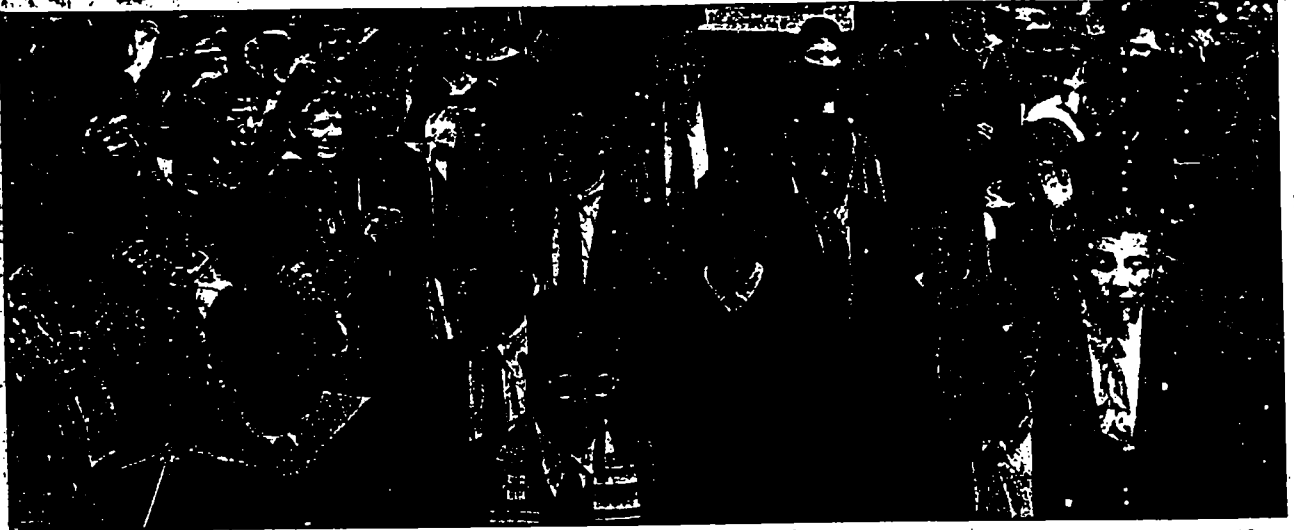
The White House also wants to collect \$3.5 billion in new tax from the profits U.S. firms make — and shield from the Treasury in overseas business.

Mr. Sperling said there is "gain without a little pain somewhere."

But Pete Sepp, vice president of the National Taxpayers Union, blasted the Clinton plan. "On the one hand, he's giving a tax credit to kids to go to school, and on the other hand, he's taxing the companies who would otherwise be able to hire them," he said.

"He's simply offsetting one credit for a bunch of tax increases. It won't do much for the economy. It doesn't really address the rising college tuitions, are increasing," Mr. Sepp added.

Mr. Clinton's program will cost \$25 billion and his proposed \$10,000 tax write-off for high education would cost another \$5 billion.



WILFREDO LEE / Associated Press

Cameras click at Princeton University while the crowd gets something extra to recall with commencement day: the arrival of President Clinton.

Clinton plan borrows from Miller's HOPE

By Ken Fosskett
STAFF WRITER

President Clinton tore out a page from Gov. Zell Miller's 1994 re-election strategy Tuesday and proposed a middle-class education tax credit that borrows heavily from Georgia's HOPE scholarship program.

Dubbed "America's HOPE Scholarships," Clinton proposed a two-year, \$1,500 tax credit for students enrolled at any college or technical school. Students must maintain a 2.75 grade-point average the first year and stay free of felony drug convictions to be eligible for the \$1,500 credit in the second year.

The program copies some aspects of Miller's HOPE scholarship program, which pays tuition, books and fees for any Georgia resident who attends a state college or technical school and maintains a B average.

"My proposal today builds mostly on the enormously successful HOPE scholarships in Georgia," Clinton told graduates at Princeton University.

For Miller, the president's endorsement of HOPE validated what the governor has been saying since HOPE's inception in 1993: It is a program worthy of national emulation.

"HOPE's gone national," said Miller, who joined Clinton on Tuesday at Prince-

Students must maintain a 2.75 grade-point average the first year and stay free of felony drug convictions to be eligible for the \$1,500 credit in the second year.

■

ton. "It's going to prove to be a very popular program."

But experts doubt the Republican-controlled Congress will act on Clinton's proposal.

Merle Black, an Emory University political scientist, said, "It may be the first of some new bidding war — here's my tax cut and I'll raise you one."

For example, Dole, who is crafting an economic policy that could include a 15 percent income tax cut, said Clinton is trying to copy his proposals.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

But Clinton, pinned high hopes on his proposal.

"Nobody now needs to be stuck in a dead-end job or in unemployment," Clinton said. "It's America's most basic bargain. We'll help create opportunity if you'll take responsibility."

Miller acknowledged that such educa-

tion credits are "good politics" in an election year in which Clinton and his GOP rivals are trying to win over middle-class voters. Even Republicans concede that the HOPE program has given Miller a lift.

"The HOPE scholarship has been remarkably successful," said Whit Ayres, a GOP pollster. "It would not surprise me if President Clinton was not trying to learn a few lessons."

Under the Clinton plan, families could choose between the tax credit and a previously proposed \$10,000-a-year tax deduction for college tuition and job training. The tax deduction plan has languished in Congress.

Either the full tax credit or the deduction would be available to joint filers earning up to \$80,000 a year. A reduced tax break would go to such couples earning between \$80,000 and \$100,000.

Clinton estimated the six-year cost of his plan at \$42.9 billion. He would offset the cost of the new tax credit by reinstating a lapsed \$6 departure fee for international air travelers and boosting it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money for education from the auction of radio frequencies.

The Associated Press contributed to this article.

Tuition tax credit plan draws mixed reaction

By Betsy White
STAFF WRITER

President Clinton's plan to give American families modest tax credits for college tuition may get an A for politics, but deserves no better than a C as education policy, higher education experts said Tuesday.

Already, two-thirds of the nation's high school graduates complete at least a year of college, so attracting more does not need to be a high priority, experts said. Worse, the tax credit is more beneficial to middle-class families who can already afford college than to low-income families who truly need help to pay tuition, they said.

Ironically, the proposed "America's Hope" program would bypass families of most post-secondary students in Georgia, where the idea — and name — of HOPE scholarships originated. That's because some 80,000 Georgians already receive free tuition to college and technical schools under the lottery-funded HOPE program, and thus would not be eligible for the federal tax credit.

"It sure would have been nice to just have something that was a little bit more thought through and less so obviously political," said Art Hauptman, a Washington-based expert on higher education finance. "The good news is it's not going to pass this year."

Clinton stressed he was proposing the tax credit because college costs are rising and because getting some post-secondary education has become increasingly necessary for workers to succeed. Experts conceded both points are true.

"This is the kind of tax cut to have: a tax cut that goes to help people help themselves and be job-eligible," said Georgia Gov. Zell Miller, who was thrilled Clinton chose his pet scholarship program as a national model.

The reason low-income families nationally and most Georgia HOPE scholarship recipients would not benefit from Clinton's proposal: The tax credit would be available only to individuals who pay tuition themselves. For most low-income students, federal Pell grants cover full tuition at two-year colleges and technical schools; for Georgia students who maintain B averages, HOPE pays full tuition and fees at any public college.

But another 30,000 or so Georgians who attend private colleges, both in and out of Georgia, could get the tax credit for tuition they pay themselves because private tuition costs outstrip HOPE awards.

Nationally, private four-year college costs about \$18,200 a year, \$12,400 of it for tuition and fees. Public colleges are far more affordable — \$2,000 a year at two-year commuter schools and \$7,400, including \$4,000 for room and board, at a four-year college.

Experts found several positives in Clinton's plan:

- It would help send a message to young students that they will get help paying for college, so they should keep plugging academically.

"If you go out and talk to kids, they do not realize there is aid to help them afford college," said Marshall Smith, U.S. undersecretary of education.

- Clinton also is proposing increasing Pell grants for low-income students, complementing the middle-class-oriented tax credit, said David Merkowitz, director of public affairs for the American Council on Education.

- Clinton's plan would help some Georgians who are not getting HOPE scholarships — those with C and D averages in high school, those with freshman grade-point averages between 2.75 and 3.0 and those who graduated from high school before 1993.



Photo by Rich Krauss

President Clinton greets the crowd at Princeton University's graduation, where he suggested that America should encourage higher education by giving students a \$1,500 tuition tax credit. See story, Page 14.

Clinton uses Princeton graduation to suggest \$1,500 tuition credit

By RON MARSICO

Mixing education policy with election-year pragmatics, President Clinton yesterday told Princeton University's graduating class that America's college students should get a \$1,500 tuition tax credit each of their first two years.

Clinton, a Yale graduate who came to celebrate Princeton's 250th year, effectively raised the ante on tax-cut issues in his re-election race against the presumed Republican nominee, Sen. Bob Dole.

The President's tax relief salvo followed news that Dole is considering a plan to cut income taxes if he is elected. Dole and other Republicans described Clinton's Princeton remarks as disingenuous politics, arguing that the President failed to keep a middle-class tax cut pledge made during the 1992 campaign.

Net cost of the tuition tax credit plan Clinton proposed yesterday is estimated at \$8 billion over six years, but is expected to be offset by other budget savings.

Meanwhile, Clinton — who got standing ovations from the 10,000 gathered in front of Nassau Hall at the start and end of his speech — also announced that a coalition of companies, teachers, students and parents are launching "Net Day New Jersey" to hook up more than 1,000 schools to the Internet by next year. The Partnership for New Jersey, a group of corporate CEOs and nonprofit leaders, is spearheading the effort.

With Princeton's class of 1,773 seniors and graduate students arrayed before him under a canopy of trees shading a hazy sun, the President likened his idea to a modern day version of the G.I. Bill that helped World War II veterans get college educations and fueled the post-war prosperity.

"We should say to Americans who want to go to college, we will give you a tax credit to pay the cost of tuition at the average community college for your first year, or you can apply the same amount to the first year in a four-year university or college," said Clinton to applause. "We will give you the exact same cut for the second year, but only if you earn it by getting a 'B' average the first year."

Students whose grades fall below the threshold or are convicted of a drug crime are ineligible for the tax credit, which is patterned after a similar Georgia program.

Part-time students would get a \$750 tax credit per year, instead of the full \$1,500 benefit under the plan, dubbed the HOPE Scholarships.

"This is not just for those individuals, this is for America," continued Clinton, the first incumbent president ever to receive an honorary degree during a Princeton University commencement. "Your America will be stronger if all Americans have at least two years of higher education."

Mindful that his tuition tax break idea might be criticized by Republicans as an example of Democratic big-government spending, Clinton emphasized that the program's costs would be covered by "budgeted savings in the balanced-budget plan."

But Dole, in a Virginia campaign stop yesterday, sought to pin a hypocrisy label on Clinton by reminding voters that the President promised a middle-class income tax cut during the 1992 campaign before reneging and spearheading a \$265 billion tax increase after taking office.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

GOP House Speaker Newt Gingrich also was critical.

"In every election year, he's for tax cuts," said Gingrich in Washington. "We'll send him, I hope, a tax bill later on this year. Maybe he'll sign it."

New Jersey's GOP congressional delegation chimed in by sending the Democratic President a letter, urging him to support a balanced-budget amendment to help "stop saddling our children with our debts."

Clinton, meanwhile, is still pushing his earlier proposal for a \$10,000 tax credit for all college tuition and job training, but the measure has stalled in Congress. The proposal is estimated to cost \$35 billion and be paid for with budget savings, bringing the price tag for both programs to \$43 billion.

Families could choose either plan if both eventually become law.

Clinton emphasized the importance of education in keeping America at the forefront of the world economy and helping Americans realize their dreams.

"Fifteen years ago, the typical worker with a college degree made 38 percent more than a worker with a high school diploma," Clinton said. "Today, that figure is 73 percent more."

Keeping pace with technological advances is also critical, he said.

"Nobody who wasn't a high-energy physicist had even heard of the World Wide Web when I became President. And now even my cat, socks, has his own page," said Clinton to laughter. "By the time a child born today is old enough to read, over 100 million people will be on the Internet."

The Net Day New Jersey, announced by Clinton yesterday, will actually be a year-long project headed by The Partnership for New Jersey. Thomas O'Neill, executive director of the Partnership, said volunteers at each school "will wire five classrooms and a library or a computer room to a central point where it can be tied into the Internet. The project will quintuple the number of schools that are wired and put the state on a fast track to wiring every school."

Clinton also urged Princeton stu-



Kenneth Marty of Springfield, Va., waits for the right moment to snap a picture of President Clinton during his speech at Princeton University's graduation.

'This is not just for those individuals, this is for America. Your America will be stronger if all Americans have at least two years of higher education.'

— President Clinton

dents — despite their privileged status and opportunity for success — to help others achieve as well. "So I ask you never to be satisfied with an age of probability for only the sons and daughters of Princeton," Clinton said. "You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together. ... But you should not walk away from our common purpose."

This was Clinton's fourth trip in 1996 to New Jersey, a strategic battle-ground in this year's race.

Dole has made two appearances within the past 10 days.

Amid the pomp and politics that marked yesterday's graduation, there also was a historical component to the appearance by Clinton, who quoted from President Woodrow Wilson, a one-time university president as well.

By tradition, Princeton University normally reserves the commencement address for its own school president, but made an exception and invited Clinton because of the school's 250th anniversary.

President Harry Truman spoke at the university's 200th anniversary in 1946 and President Grover Cleveland made an address to mark the school's 150th anniversary in 1896.

But neither of those two speeches came during the commencement.

In addition to Clinton, 17 other presidents have received honorary degrees from the university — the last being President George Bush.

Message of opportunity rings true across a broad spectrum

By CYNTHIA BURTON

— Speaking at Princeton University, President Clinton invoked the American Dream yesterday and challenged the graduating class of one of the country's most elite institutions to make this a land of opportunity for all.

— "Our mission today must be to ensure that all of our people have the opportunity to live out their dreams," Clinton said during the ceremony, where he was awarded an honorary degree.

— The appeal to graduates was so broad that an avowed "supply-side" Republican headed for a career in commercial banking and a son of missionaries who is going to Africa to feed the hungry agreed with the President's message.

— Clinton pitched patriotism and generosity. He said Princeton graduates could segregate themselves from the less fortunate, but if they did not help their fellow countrymen.

— This is the third graduation the President has addressed this spring. He talked about community values at Penn State and foreign policy at the Coast Guard Academy.

The Princeton ceremony was an opportunity for Clinton to capture political attention in New Jersey, which held its little-noticed presidential primary yesterday. Though voter turnout was low, the sheer number of voters going to the polls and thinking about politics was expected to be greater than in yesterday's other primary

**'Our mission today
must be to ensure
that all of our people
have the opportunity
to live out their
dreams.'**

— President Clinton

states, Alabama and New Mexico. The Republicans did not miss the political opportunity either. On the eve of the address, the GOP sponsored a 30-second television ad in the Philadelphia media market, which includes Princeton, assailing Clinton's record on the federal deficit. At Princeton, the President mentioned his deficit-busting efforts four times.

Clinton displayed his ability to relate to an audience, paying homage to the 1,773 graduates. He reminded them that his administration is sprinkled with Princeton graduates and includes a current student. He joked, "When the ceremony is over I'd like to have you back at work, please."

He was sportsmanlike when made the butt of an elaborate bit of traditional Princeton humor.

At every commencement, a student reads a speech in Latin. The students (and the press) have an English translation, which tells them where to laugh or applaud. Their parents don't. The point is to impress the parents, who financed their kids' \$120,000, four-year education.

This year the joke was on the students.

Clinton studied Latin in high school, so when they poked fun at his law school alma mater, Yale University, he laughed knowingly. Student Charles Stowell read in Latin, "God did not go to Yale either." Also in Latin, he said it was a fine day when Princetonians "have finally been seen by a Yale, who has chosen to breathe the spring air of Princeton instead of any other."

When Stowell left the podium, Clinton stood up and shook his hand.

Yale isn't the only thing that separates Clinton from the Princeton grads. His upbringing in Arkansas was humble by comparison to that of most of the students. Robert H. Rawson, the university's orator, said in introducing Clinton, a native of Hope, Ark., that he was a man "born not in privilege but in hope."

The students seemed hopeful about their own futures.

Bo Davis, 22, of Mobile, Ala., and his classmate Ingrid Herrera, 21, of Guaynabo, Puerto Rico, are headed for

financial careers. Davis will join an investment banking firm, and Herrera has a job at a big accounting firm. Words like "downsizing" didn't seem to faze them with Herrera joking, "We're going to be the downsizers." She added that they'd have to find a way to make downsizing more humane. Davis added, "the '80s are over. Let's step towards efficiency."

Clinton's message of helping others find opportunity did reach the graduates in a generic sort of way. Both said they felt an obligation to give back to

the community but would have to figure out how to do it later.

Perhaps the President was really talking to Jeff Potter, a 22-year-old Pueblo, Colo., man who majored in political science. The son of missionaries in Portugal, Potter is going to Africa to relieve hunger.

He said that until about 30 years ago, Princeton's graduating classes didn't include women or minorities. That means, for the class of '96, Clinton's challenge to expand opportunities for everyone is "an even greater challenge," he said.



Photo by Rich Kramm
President Clinton gets the joke in Princeton graduate Charles Stowell's Latin oration.

"It ends up being something each graduate has to make specific decisions on the lifestyle they lead, the careers they choose," Potter said.

Michael J. Rudolph, 22, of Gladwynne, Pa., was having a hard time disagreeing with Clinton. Rudolph calls himself a "supply-sider" and a strong Republican.

"Republicans and Democrats — their end goal, the vision — are almost the same," Rudolph said. "All they want is for America to be a better place."

Clinton Proposes College Tax Credit

By Martin Kallendorf

WASHINGTON BUREAU

Princeton, N.J. — Anticipating major tax-cut proposals from his Republican challenger, President Bill Clinton sweetened his own bid to middle-class voters yesterday by offering two years of \$1,500 tax credits for college tuition in return for good grades and drug-free conduct.

"Our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said in a commencement speech at Princeton University, emphasizing access to schooling as the key to economic growth and social cohesion.

While noting that workers with two years of college earn \$250,000 more over a lifetime than do high school graduates, Clinton said: "This is about far more than economics and money. It is about preserving the quality of our democracy."

Dubbed the HOPE Scholarship Tax Cut, Clinton's proposed break wouldn't go far at Ivy League Princeton, where yearly tuition, room and board costs \$29,401. Administration officials said the incentive was priced for enrollments at two-year community colleges, though individuals from families with incomes up to \$100,000 could use the refundable credit toward the first two years at a four-year school.

The national average for community college tuition is \$1,200, meaning that "education at the typical community college will now be free," Clinton said. Clinton issued a challenge to high-cost states — New York's community college costs average \$3,142 — to "bring the price down."

Adopted from a 1993 Georgia law providing state-funded scholarships to public colleges, the proposed tax credit supplements a family tax deduction of up to \$10,000 for post-high-school learning that was included in Clinton's 1997 budget submission. Most families would find the credit more advantageous than the deduction for college's first two years, White House economic adviser Gene Sperling said.

The Treasury Department worked until Monday night to find ways of paying for the new credit while still bringing the budget into balance by 2002.

The extra cost estimated by the administration came to \$7.9 billion. It would be covered through curbing foreign tax credits for multinational corporations, auctioning part of the radio spectrum and raising an international airport departure tax from \$6 to \$16. Clinton's budget assumes that currently expired aviation taxes will be reinstated.

After a first year of entitlement, a student's right to get the tax break for another year would be condition-

CLINTON from Page A4

ed on having earned a minimum B-minus average and having no felony drug arrests. "We'll help create opportunity if you'll take responsibility," Clinton said. Part-time students would get credits topped at \$750.

Sen. Bob Dole (R-Kan.), the likely Republican presidential nominee, is reportedly considering a dramatic announcement advocating an across-the-board tax cut of 15 percent or a flattening of the tax structure. Sperling

said the administration's tax ideas weren't a campaign reaction and would have been ready last fall except for the 1996 budget impasse. He said Clinton preferred an education-targeted tax cut because of his commitment to expanding college opportunity.

"There he goes again," Dole said skeptically while campaigning in Virginia. "Who knows what taxes he'll increase if he should be re-elected?" But the White House pointed out that after Clinton mentioned the community college tax credit in budget negotiations,

Dole called it "pretty good" during a Feb. 8 Iowa campaign event.

Continuing a White House effort to undermine any giant tax-cut initiative by Dole, press secretary Mike McCurry said yesterday that an across-the-board slash would require "devastating cuts in Medicare or other programs, or evisceration of our national defense."

In his nonpartisan ranting, Clinton said more elliptically that "we should look with the greatest skepticism toward those who promise easy and quick solutions."

Clinton copies HOPE plan

by Linda A. Johnson
Associated Press

PRINCETON, N.J. — Georgia Gov. Zell Miller joined his pal Bill Clinton on Tuesday as the president took a page from Mr. Miller's successful HOPE scholarship program and proposed new incentives to help students pay for two years of study after high school.

Speaking at Princeton University's graduation ceremony, Mr. Clinton unveiled a plan to give tax credits to cover the average cost of a two-year community college education. With Mr. Miller in attendance, Mr. Clinton called the \$1,500 annual credits "America's HOPE Scholarships."

"If we really want Americans — all Americans — to partici-

pate in the future that is now at your finger tips, we have got to increase the quality and the level of education not just for the graduates of Princeton and Georgetown and Yale... but for all the American people," the president said.

Georgia's lottery-funded HOPE program pays full college tuition for high school graduates who maintain a B average.

Mr. Clinton said his proposed tax credits could also be applied to tuition at four-year colleges or one-year technical programs and, similar to Georgia's HOPE program, all recipients would have to maintain a B average and stay off drugs.

"I think it's a bold and significant step," Mr. Miller said of

Please see HOPE on 3A

HOPE: Enrollment on the rise

Continued from 1A

Mr. Clinton's effort in an interview after the two-hour graduation ceremony. "It has worked well in Georgia and it will work well as the president has proposed it."

About 117,000 Georgia students received HOPE Scholarships this year: 43,160 students at public colleges, 29,640 at private colleges and 43,160 at technical schools, said Miller spokesman Rick Dent.

Since the HOPE program began three years ago, public college enrollment is up 3.4 percent, full-time private college enrollment is up 32 percent, and technical school enrollment is up 24 percent, Mr. Dent said.

"It's made a tremendous difference, because most parents want their children to get a higher education," Mr. Miller said, adding, "Our public and private colleges and our technical schools are showing record enrollment."

The Augusta Chronicle
6/5/96

Clinton seeks tax break for college tuition

By Robert A. Rankin
Knight-Ridder Newspapers

PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton stressed at the 249th commencement exercises at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

Clinton signed a similar Arkansas scholarship program into law in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

"I'm here to tell you this program will work," Georgia Gov. Zell Miller, a Democrat, told reporters here. "It's something that will make a difference in the lives of the people of this country. I've seen it work," said Miller, who flew here with Clinton, a close political ally.

Nearly 200,000 Georgia students have received Hope scholarships over the last three years, and the state's higher-education system is now the fourth-biggest in America, Miller said. Enrollment at Georgia technical and adult-education institutions alone has increased by 26 percent since the program began, according to White House reference sheets.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved



Bill Clinton



Zell Miller

his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new idea partly by adding a \$16 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinational corporations, also dims chances for enactment by the anti-tax GOP Congress.

Indeed, Bob Dole quickly predicted that Clinton would end up raising taxes rather than cutting them if re-elected.

"There he goes again," said the presumptive GOP presidential nominee while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit idea when campaigning Feb. 3 in Indianola, Iowa, according to a quotation that White House aides passed out at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good, and that was credits for two-year colleges."

Clinton said the emerging global economy challenges America to lift its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. ... If all Americans have access to education, it is no longer a fault line, it is a sturdy bridge that will lead us all together from the old economy into the new," the president said in a 30-minute address.

The Moon Telegraph
6/5/96

Clinton offers tax credit to help finance the first two years of college

From News Services

PRINCETON, N.J. — Anticipating major tax-cut proposals from his Republican challenger, President Clinton sweetened his own bid to middle-class voters Tuesday by proposing a tax credit intended to make college more affordable for all high school graduates.

In a commencement address at Princeton University, Clinton said the tax credit is intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college.

With earnings increasingly tied to education, Clinton said, "Our goal must be nothing less than to make the 13th and 14th year of education as universal as the first 12 are today."

Toward that goal, Clinton proposed a tax credit for tuition costs of \$1,500 annually for full-time students during the first two years of college.

Turn to CLINTON on A11

CLINTON from A1

Clinton's call for \$1,500 tuition tax credit raises stakes with Dole

Such a subsidy, Clinton argued, would allow high school graduates to afford at least a community college education. The credit, which would be \$750 for part-time students, also could be used to help defray expenses at a four-year college.

Clinton's call for the new tuition tax credit raised the bidding in his election-year tax-cutting competition with presumptive GOP nominee Bob Dole, who has been mulling a variety of tax-reduction plans.

Dole campaign officials refused to recognize Clinton's proposal as a tax cut, instead calling it a tax increase. That's because Clinton said he would pay for it partly by raising fees on passengers leaving the United States on international flights from \$6 to \$16 and by reducing a tax credit for U.S. companies with international sales. The White House said it would cover the plan's remaining cost by auctioning off part of the radio spectrum.

"There he goes again," said Dole, borrowing a line that GOP candidate Ronald Reagan used against then-President Jimmy Carter in a 1980 debate. "Who knows what taxes he'll increase if

he should be reelected."

Dole is weighing a series of recommendations for tax savings, including a proposal for a 15 percent across-the-board tax cut. He already has proposed a \$500 tax credit for certain charitable contributions that would cost \$15 billion to \$20 billion.

White House aides responded to Dole's criticisms by saying he had praised the idea of tax credits for college students earlier this year in telling Iowa voters, "President Clinton had an idea that was pretty good, and that was credits for two-year college students."

But House Speaker Newt Gingrich, R-Ga., called Clinton's proposal a campaign stunt. "In every election year, he's for tax cuts."

The proposed tax credit would cover only a small share of the tuition at elite private schools such as Princeton, which charges \$21,000 annually.

But White House officials said the credit — which provides a dollar-for-dollar reduction in federal taxes — would offset the full cost of tuition for two-thirds of U.S. community college students.

Under the proposal, students or their parents would be eligible for the credit during the students'

first year in college; to retain eligibility for the second year, students would have to earn at least a B average and avoid drug-related convictions.

With Congress unlikely to act on the tax credit idea this year, the proposal was noteworthy mostly for illuminating Clinton's continuing efforts to define a politically defensible role for Washington in what he called "a new progressive era."

While Dole and the Republican-controlled Congress have argued that the key to economic and social renewal is retrenching the role of government, Clinton continues to argue for government intervention, particularly in increasing access to education and training.

Clinton said Tuesday night that he will include in his budget plan a recommendation for a 10 percent tax credit for small businesses that subsidize their employees' education and training.

Clinton's call for the tuition tax credit builds on and overlaps his earlier proposal for a \$10,000 tuition deduction. The deduction would allow families to reduce their taxable income by as much as \$10,000 in tuition costs for any form of college or postgraduate education; the credit would reduce a family's actual tax bill by as much as \$1,500 annually for the first two years of college.

The credit would be refundable, which means that if a fam-

ily's tax burden was less than the value of the credit, it would receive the balance as a refund.

Joint filers earning as much as \$80,000 a year would be eligible for the tax credit or the deduction. A smaller tax break would be available to those with incomes between \$80,000 and \$100,000. Clinton aides said families could use either the tax deduction or the credit, but not both.

The tax credit would cost \$7.9 billion over six years. Combined with an earlier Clinton proposal to offer \$10,000 tax deductions for college expenses, the total cost would be \$42.9 billion, the White House said.

Clinton's proposal was the result of more than a week of internal debate: Political strategist Dick Morris urged Clinton to offer the new tax break, but Chief of Staff Leon Panetta, Treasury Secretary Robert Rubin, National Economic Adviser Laura Tyson and Budget Director Alice Rivlin argued against the idea, White House aides said.

Morris argued that Clinton should preempt Dole, perhaps prompting the outgoing Senate majority leader to propose a more extreme tax-cut package than planned, said the aides.

6A DETROIT FREE PRESS/WEDNESDAY, JUNE 5, 1996 •

Clinton proposes college-education tax credits

GOP leaders slam idea as campaign stunt

BY SONYA ROSS
Associated Press

PRINCETON, N.J. — President Bill Clinton, sparring with Republican rival Bob Dole on taxes, on Tuesday proposed new incentives to help students pay for two years of study after high school.

In a commencement address at Princeton University, Clinton called for \$1,500 and \$750 tax credits that would make college available to everyone.

"It's America's most basic bargain," the president said. "We'll help create opportunity if you'll take responsibility."

"This is about more than money. This is about giving every single, solitary soul in this country a chance to be more fully alive."

The proposal brought a rebuke from Dole, the likely GOP presidential nominee. "There he goes again," Dole said in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected?"

Dole said Clinton had campaigned on a promise of a middle-class tax cut in

1992, then engineered a \$265-billion tax increase as president a year later.

House Speaker Newt Gingrich, R-Ga., also criticized Clinton's proposal as a campaign stunt. "In every election year, he's for tax cuts," Gingrich said in Washington.

The president's proposal builds on his earlier idea of a \$10,000-a-year tax deduction for college tuition and job training. That proposal has languished in Congress. The expanded offer — dubbed America's HOPE Scholarships — is for a \$1,500 tax credit for two years of college, or \$750 for part-time enrollment.

For low-income families, the \$1,500 and \$750 credits would help more than the \$10,000 deduction because they would be eligible for the tuition relief even if they paid no taxes. Families could choose from either program.

To remain eligible after the first year, a student would have to maintain a "B" average and stay off drugs.

The White House estimates the cost at \$8 billion over six years — in

addition to \$35 billion already in Clinton's budget for the tax-deduction proposal.

To offset the cost, Clinton would reinstate a lapsed \$6 departure fee for

international air travelers and boost it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money from the auction of radio spectrum.

Clinton Pushes Tax Incentives For Tuition

\$1,500 Credit Per Year Would Offset College Costs

• 1996, Knight-Ridder Newspapers

PRINCETON, N.J. — President Bill Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st-century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton stressed at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to approve this latest Clinton plan. It has not adopted Clinton's 18-month-old proposal to

See CLINTON, Page 10

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ST. LOUIS POST-DISPATCH

Clinton

From page one

grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new idea partly by adding a \$16 tax on each passenger leaving the country on international flights and partly by raising taxes on exports by multinational corporations also dims chances for enactment by the anti-tax GOP Congress.

Indeed, Senate Majority Leader Bob Dole quickly predicted that Clinton would end up increasing taxes rather than cutting them if re-elected. "There he goes again," said Dole, the presumed GOP presidential nominee, while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit idea when campaigning Feb. 3 in Indianola, Iowa, according to a quotation that White House aides distributed at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good, and that was credits for two-year colleges."

In his commencement address, Clinton said the emerging global economy challenges America to raise its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. . . . If all

POST links to Clinton's proposal and speech. . . . POSTnet details, Page 2A

Americans have access to education, it is no longer a fault line; it is a sturdy bridge that will lead us all together from the old economy into the new," Clinton said.

"This is about far more than economics and money. It is about preserving the quality of our democracy."

Republicans say Clinton is just playing "me too" politics.

He offered his latest tax-break proposal as Dole is weighing whether to offer a dramatic tax-cut plan of his own to jump-start his campaign.

But White House aides say Clinton's latest tax-break proposal stems from his career-long dedication to boosting education standards, both as Arkansas governor and U.S. president.

Clinton signed a similar Arkansas scholarship program in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a three-year Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

Clinton chose a \$1,500 tax credit, aides said, because that would cover costs at 67 percent of U.S. community colleges, although students would be eligible for it at any institution of higher learning. Part-time students would be eligible for credits up to \$750. The credits would be indexed to rise with inflation annually.

Both credits would be subtracted directly



AP
President Bill Clinton laughs at the Latin salutatory oration of Charles P. Stowell at Princeton's graduation Tuesday. Stowell poked fun at Clinton's years at Yale Law School.

from taxes owed.

Under Clinton's plan, students could choose either the Hope tax credit or his earlier proposal of a \$10,000 tax deduction of tuition expenses. Deductions are subtracted from taxable income, not from taxes owed.

For families earning about \$50,000 or less annually, the credit would cut their taxes owed far more than the deduction would, aides said.

The Hope credit is estimated to cost \$25.1 billion over six years. When combined with the \$10,000 deduction, the cost to the Treasury would total \$42.9 billion over six years, the White House estimates.



■ President Clinton delivers the commencement address at Princeton University in New Jersey Tuesday. He used the speech to propose a plan to provide tax credits to pay for college educations.

Associated Press

Clinton proposes \$1,500 tax credits to pay for college

Washington Post

PRINCETON, N.J. — President Clinton unveiled a hastily assembled, election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton used extravagant terms to describe his plan to use the tax code to create a government entitlement for lower- and middle-income Americans. It would, he said to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton rushed forward with his plan — which White House aides said they were still fine-tuning late in the night Monday — at the same time Senate Majority Leader Bob Dole, R-Kan., says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintain a B average in their studies would be eligible for a second \$1,500 credit the next year. The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000 a year, and for couples filing jointly with incomes between

\$80,000 and \$100,000 a year.

Money for the new plan would be raised, in part, by reinstating a lapsed aviation tax on departing international flights and raising the per-passenger fee from \$6 to \$16.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education.

A tax credit works essentially like a direct payment from the government. Taxpayers would figure out what taxes they owe, and then deduct \$1,500, even if that meant the government owed them money. Under the tax deduction, taxpayers would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Campaigning in suburban Richmond, Va., Dole complained that Clinton's proposal was no more believable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be re-elected."

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic adviser Gene

Sperling said Clinton had considered the plan in the fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the import of Clinton's proposal — at least for the near term — is almost solely political. The reaction of Republicans made plain that the tax credit proposal will languish in Congress just as the tax deduction proposal did.

But from Clinton's perspective, the value of the tax credit plan is that it is a way of defining himself before the electorate.

In balanced-budget discussions, Clinton has said he favors cutting government, but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing education would be better for the economy than a broad tax cut, which he says would disproportionately benefit the rich.

White House aides identified the savings they said would prevent Clinton's proposal — dubbed "HOPE scholarships" — from adding to the deficit.

The administration estimates the tax credit, if enacted, would cost about \$25.1 billion between the next fiscal year and 2002. The availability of a tax credit, however, means that fewer people would be taking advantage of the proposed tax deduction.

AB Wednesday, June 5, 1996

Clinton asks tax credits for college

LOS ANGELES TIMES/WASHINGTON POST
NEWS SERVICE

PRINCETON, N.J. — President Clinton yesterday unveiled a hastily assembled election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton described his plan to use the tax code to create a government entitlement for lower- and middle-income Americans in extravagant terms. It would, he said to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton rushed forward with his plan — which White House aides said they were still fine-tuning late in the night on Monday — at the same time Senate Majority Leader Bob Dole, R-Kan., says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintained a B average in their studies would be eligible for a second \$1,500 credit the next year.

The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000, and for couples filing jointly with incomes between \$80,000 and \$100,000.

The administration says it will ask Congress to raise \$2.3 billion by reinstating aviation fees on departing international flights, from \$6 to \$16 per passenger, starting in August of this year.

In addition, it envisions raising \$3.5 billion by changing the rules by which multinational corporations avoid taxes on some export income. Another \$2.1 billion would be raised by taking parts of the radio spectrum now reserved for new digital audio services and instead auctioning the band space for "subscription-based wireless services," such as personal paging and home banking.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education. A tax credit works essentially like a direct payment from the government. Figure what taxes you would ordinarily owe, and then deduct \$1,500, even if that means the government owes you money. Under the tax deduction, you would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Campaigning in suburban Richmond, Dole complained that Clinton's proposal was no more believable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be re-elected."

House Speaker Newt Gingrich, R-Ga., also dismissed the proposal. "I love watching the president during

an election," he told reporters. "I mean, every year he's for tax cuts. But it worries me: Does that mean that in '97 he'll be for a giant tax increase on college students?"

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic advisor Gene Sperling said Clinton had considered the plan last fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the import of Clinton's proposal — at least for the near term — is almost solely political. The reaction of Republicans made plain that the tax credit proposal will languish in Congress just as the tax-deduction proposal did.

But from Clinton's perspective, the value of the tax-credit plan is a way of defining himself before the electorate. In balanced-budget discussions, Clinton has said he favors



THE ASSOCIATED PRESS

LIGHT MOMENT. President Clinton, a Yale graduate, showed there were no hard feelings during graduation at Princeton University.

cutting government but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing education would be better for the economy than a broad tax cut, which he claims would disproportionately benefit the rich.

RICHMOND TIMES-DISPATCH 5/06/96

Clinton pushes college tax credit

First 2 years,
eligible families
could get \$3,000

By CARL M. CANNON
SUN NATIONAL STAFF

WASHINGTON — President Clinton, keeping active in the election year tax-cut derby, yesterday proposed a tax credit worth \$3,000 during the first two years of college for students from families earning less than \$100,000.

"Today, more than ever before in the history of the United States, education is the fault line — the great Continental Divide — between those who will prosper and those who will not in the new economy," Clinton said. "This is about far more than economics and money. It is about preserving the quality of our democracy."

The proposal, which is given little chance of approval by a Republican Congress in this election year, could hasten a bidding war on tax cuts between Clinton and his Republican rival, Bob Dole. At the same time, both men say they are committed to fixing a budget deficit that could be worsened by tax cuts.

Dole has been under pressure to propose his own election-year tax cut, with some aides urging him to offer a 15 percent across-the-board in-

come-tax reduction.

"This is not a wild across-the-board tax cut," Leon E. Panetta, the White House chief of staff, said of Clinton's plan. "This is a responsible tax cut, targeted toward education."

White House policy aides said Clinton's proposal was meant to supplement the administration's earlier push for a \$10,000 tax deduction for college tuition, although families would not qualify for both at the same time.

The plan, announced yesterday by the president in a commencement address at Princeton University, is a straight tax credit of \$1,500 for the [See Clinton, 12A]



Doctor: Princeton University Chief Marshal John Fleming awards President Clinton an honorary doctorate of law.

Clinton offers tax credit for first 2 years of college

[Clinton, from Page 1A]

first year and another \$1,500 during the second year, provided that the student maintains at least a B-minus average and is not convicted of any drug offense.

That kind of money would not go far at Princeton, where tuition, fees and living expenses approach \$30,000 a year. But it is aimed at a group of potential students — and voters — whom White House planners believed they overlooked in their earlier proposal: community college students.

"Two years of college means a 20 percent increase in annual earnings," the president told the graduating seniors. "People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime."

Georgia model

The program is patterned after a statewide effort launched three years ago in Georgia. There the cost is financed with proceeds from the state lottery.

To pay for the Clinton plan, Gene Sperling, a budget adviser, outlined a series of proposed increases in corporate taxes and user fees, including raising the airport fees for international passengers from \$6 to \$16.

Republican leaders avoided criticizing Clinton's proposal directly, but they did poke fun at him on the overall issue of taxes.

Campaigning in Virginia, Dole noted that Clinton had promised middle-class tax cuts in 1992 as well, but after he was elected successfully pushed through tax increases instead.

"People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime."

President Clinton

Not until after Democrats lost both houses of Congress in 1994 did Clinton propose tax cuts.

"There he goes again," Dole said, borrowing Ronald Reagan's famous 1980 put-down of President Jimmy Carter. "Who knows what taxes he'll increase if he should be re-elected?"

House Speaker Newt Gingrich, in a session with reporters, added: "I love watching Bill Clinton in an election year. Every election year, he's for tax cuts."

Steve Forbes, a Princeton alumnus who ran against Dole in the primaries on the issue of a sweeping flat tax, had another ob-

jection to Clinton's proposal: It does not go far enough.

"We need big strides," Forbes told reporters at Princeton. "Not baby steps."

But if the president's proposal is considered only an incremental change in tax reform, it represents a major shift in the thinking of how the government views education.

Currently, education, from kindergarten through 12th grade, is considered a state obligation, with further studies or training the responsibility of individual students.

Cultural change

Clinton aides said the president favors a sweeping cultural change — to view the first two years of post-high school education as essential for a successful career.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said yesterday.

Although its details were not made public at the time, Clinton first raised the tax credit idea this past winter, during his unsuccessful budget negotiations with Republican leaders, including Dole. The Kansas Republican recently resigned from the Senate and his post as majority leader.

On Feb. 3, during the primaries, Dole alluded to the proposal during an appearance in Iowa — a fact White House aides were eager to share with reporters.

"I might say on the junior college level, the community college level, in all these 50 hours of talks, President Clinton had an idea that was pretty good — and that was credits for two-year college students," Dole said then.

Clinton proposes tuition tax break

By ROBERT A. RANKIN
Herald Washington Bureau

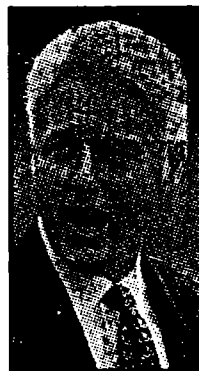
PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st Century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new program partly by imposing a \$16 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinational corporations, also dims chances for enactment by the anti-tax GOP Congress.



Clinton

Clinton said the emerging global economy challenges America to lift its minimum education standards.

"This is about far more than economics and money. It is about preserving the quality of our democracy," Clinton said in his 30-minute address.

Clinton signed a similar Arkansas scholarship program into law in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

Clinton chose a \$1,500 tax credit, aides said, because that would cover costs at 67 percent of U.S. community colleges, although students would be eligible for it at any institution of higher learning. Part-time students would be eligible for credits up to \$750. The credits would be indexed to rise with inflation annually.

Both credits would be subtracted directly from taxes owed. If the credit exceeded taxes owed, a taxpayer would be refunded the balance.

Under Clinton's plan, students could choose either the Hope tax credit or his earlier proposal of a \$10,000 tax deduction of tuition expenses. Deductions are subtracted from taxable income, not from taxes owed.

For families earning about \$50,000 or less annually, the credit would cut their taxes owed far more than the deduction would, aides said.

Clinton adds taxes to campaign's mix

The proposal for a tuition tax credit is a political broadside in the presidential race.

By William Neikirk
and Charles M. Madigan
TRIBUNE STAFF WRITERS

PRINCETON, N.J.— Reaching straight for the support of middle-class parents, President Clinton on Tuesday proposed a \$1,500 tax credit that essentially would open the doors of community college to almost everyone.

In a commencement address at Princeton University, where the annual tuition is \$21,000, Clinton tried to stake out the political high ground on an issue of widespread public import.

Along with the president's standing proposal for a \$10,000 tax deduction for college tuition, the tax-credit plan made a powerfully attractive package for parents wondering how they can afford higher education bills.

But neither tax-relief plan has a snowball's chance of making it through Congress as long as Republicans control the House and Senate, a reality underscored by immediate hostile reactions from GOP presidential hopeful Bob Dole, House Speaker Newt Gingrich and other key Republicans.

"I think he knows that is not going anywhere," said Sen. Pete Domenici, the New Mexico Republican who chairs the Senate Budget Committee. "More of the same."

Instead, the Clinton education package stands as a Democratic political broadside in the war for the White House and an attempt by Clinton to grab some of the tax-break thunder while Dole prepares his own tax-cut plan.

Clinton and Dole have been dancing around one another on campaign issues for a few weeks, like boxers testing for openings and seeking advantage.

Clinton's entry Tuesday added taxes to a list that already included abortion policy, welfare and crime.

For the president, the goal has been to keep himself well within the hot zone of polling results that give him a wide advantage over Dole. For Dole, the challenge has been to find the cracks and soft spots he can use to win support.

True to the nature of this contest, Dole's response to Clinton's tax proposal Tuesday was rapid and reminiscent of the Republican Party's favorite

Taxes

CONTINUED FROM PAGE 1

modern-era president, Ronald Reagan.

"There he goes again," Dole said, borrowing the putdown Reagan used against Jimmy Carter in a 1980 TV debate. "Who knows what taxes he will increase if he should be re-elected."

"In every election year, he's for tax cuts," said Gingrich.

Clinton said the goal was to make at least 14 years of schooling "as universal as the first 12 are today." Students would have to maintain a "B" average and not get caught using marijuana or other controlled substances.

"It will open the doors of college opportunity to every American, regardless of their ability to pay," Clinton said. "Education at the typical community college will now be free."

The Clinton plan would provide a tax credit equal to or more than the tuition paid by about two-thirds of all students attending community colleges in 33 states, according to the White House.

The president said the other 17 states should find some way to lower community college tuition to \$1,500 so that high school graduates could have two free years of school. The average community college tuition nationwide is \$1,200.

The credit also could be applied to tuition for the first two years at a four-year college. Families could take either the credit or a \$10,000 tax deduction for tuition, a plan Clinton proposed a year ago but that has been blocked by the Republican-controlled Congress.

Anticipating a harsh Republican response, Clinton's staff already had picked the taxes and fees they would like to increase to pay for his tax-credit plan, which would cost some \$7.9 billion over six years. The tax-deduction plan has a \$35 billion price tag over the same period.

The White House also released a Dole statement from February in which the senator said he thought Clinton's idea for tax credits for two-year college students "was pretty good."

Clinton would pay for the education program by squeezing additional revenue from current export sales taxes, which aides say would produce \$3.5 billion; charging a \$16 airport passenger departure fee for international flights, which would produce \$2.3 billion; and by auctioning off radio frequencies, for an additional \$2.1 billion.

The tax and fee ideas have a yard-sale feel to them, one sign of how sensitive everyone is about tax revenues in this presidential election year.

White House adviser Gene Sperling said the choices were the "least unattractive" options on what he called "a pretty ugly list."

Clinton's plan put him in the center, at least for a few days, of what promises to be an extended debate over tax policies as the presidential campaign proceeds.

Both Clinton and Dole have pledged to find a way to balance the federal budget, but the Republicans have become more aggressive about the issue in the last few days.

In Illinois, for example, they are running television ads that track Clinton's changeable record on the issue of balanced budgets.

At the same time, Dole and his staff are working hard to put together their own tax-relief plan. It reportedly will include a call for a 15 percent across-the-board tax cut, although there is concern about what might be cut on the spending side to help pay for it.

Dole already has called for a \$300 tax credit for certain charitable contributions, a proposal that would cost \$15 billion to \$20 billion.

Clinton's plan for a direct tax credit is aimed at solving a problem presented by the \$10,000 college tuition deduction. Such deductions usually favor higher-income families, while tax credits can help anyone who pays taxes because they are sliced right off the tax bill.

Not surprisingly, the proposal got high marks immediately from those who stand to gain the most financially—people who run colleges.

"In Chicago alone, it would certainly open the door to literally thousands of young and not-so-young people who would otherwise not pursue the option of a college degree," said Ronald Temple, chancellor of City Colleges of Chicago.

A red flag came from Robert Reischauer, the former director of the Congressional Budget Office, who called the proposal "bad tax policy and bad economic policy. Other than that, it's a good idea."

Reischauer said it would be better to spend the money improving troubled elementary and high schools, where educational problems are most severe.

Tribune staff writers Mary Jacoby, Mike Dorning and Nathaniel Sheppard contributed to this report from Washington.

NATIONAL NEWS

\$1,500 college 'credit' offered

Clinton tax plan covers two years

By ROBERT A. RANKIN
Knight-Ridder Newspapers



PRESIDENT CLINTON
'Education is the fault line'

PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college to succeed in the 21st-century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new idea partly by adding a \$16 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinational corporations, also dims chances for enactment by the anti-tax GOP Congress.

Indeed, Senate Majority Leader Bob Dole quickly predicted that Clinton would end up raising taxes rather than cutting them if re-elected.

"There he goes again," said the presumptive GOP presidential nominee while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit

idea when campaigning Feb. 3 in Indianola, Iowa, according to a quotation that White House aides passed out at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good, and that was credits for two-year colleges."

Clinton said the emerging global economy challenges the United States to lift its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. ... If all Americans have access to education, it is no longer a fault line, it is a sturdy bridge that will lead us all together from the old economy into the new," Clinton said in a 30-minute address.

Critics say Clinton is just playing "me too" politics.

His latest tax-break proposal came as Dole is weighing whether to offer a dramatic tax-cut plan to jump-start his campaign.

But White House aides say Clinton's latest tax-break proposal stems from his career-long dedication to boosting education standards, both as Arkansas governor and president.

Clinton signed a similar Arkansas scholarship program into law in 1991. His new proposal, which he called America's Hope scholarships, is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college.

The Detroit News

NationWorld

PAGE 5A WEDNESDAY, JUNE 5, 1996

Clinton calls for college tax credit

Pushing a \$1,500-a-person plan, president says 'we'll pay the tuition' for first two years.

Associated Press and Reuter

PRINCETON, N.J. — President Clinton, in an election-year bidding war with Bob Dole over tax breaks, proposed a \$1,500-a-student tax credit Tuesday for the first two years of college, saying: "Go to college, we'll pay the tuition."

Clinton's proposal, to be financed in part by higher taxes on corporations and a \$16-per-passenger departure fee for international flights, brought immediate ridicule from his Republican rival.

"There he goes again," said Dole, borrowing Ronald Reagan's 1980 rebuke of then-President Carter. "Who knows what taxes he'll increase? he should be re-elected."

Campaigning in Chester, Va., Dole reminded his audience that Clinton promised a middle-class tax cut when he campaigned in 1992, only to increase taxes after taking office.

Dole is weighing a series of recommendations for tax savings, including a proposal by some advisers for an across-the-board tax cut. He already has proposed a \$500 tax credit for certain charitable contributions that would cost \$15 billion to \$20 billion.

Clinton, in a commencement address at Princeton University, said the 13th and 14th years of education should be standard because this would boost incomes and growth.

"If we really want all Americans to participate in the future that is now at your fingertips, we have got to increase the quality and the level of education, not just for the graduates of Princeton and Georgetown and Yale ... but for all American people," Clinton said.

Clinton's tuition credit proposal would cost taxpayers \$7.9 billion over six years. Combined with his earlier plan to offer \$10,000 tax deductions for college expenses, the total price tag would be \$42.9 billion, according to the White House.



Dole to end his 35-year Senate career Tuesday. Page 8A

S.F. Chronicle 6/5/96 A 20

Hurray for College Tax Credit

CONTRARY TO Bob Dole's smart-alecky "there he goes again" response to President Clinton's proposal for a college tax credit, the government could hardly make a better investment in the nation's future.

Speaking at Princeton University yesterday, Clinton proposed giving parents a choice: they could take a \$1,500-a-student tax credit for the first two years of college or claim a tax deduction on post-high school education of up to \$10,000 a year.

Unlike GOP tax cut proposals that primarily benefit the rich, the credit could not

be used by families earning more than \$100,000.

And the president deserves praise — not Dole's knee-jerk political sneering — for spelling out precisely how he would pay for the plan without increasing the deficit. The money, Clinton said, would come from reducing a tax break for multinational companies, boosting airport fees on international travelers and selling off part of the radio spectrum.

Regarding the importance of higher education, the president's priorities are in proper order.

6TH STORY of Level 1 printed in FULL format.

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The Houston Chronicle

June 5, 1996, Wednesday, 3 STAR Edition

SECTION: a; Pg. 1

LENGTH: 924 words

HEADLINE: Tax credit for tuition proposed;
Clinton plan offers \$ 1,500 for college

BYLINE: NANCY MATHIS; Staff

DATELINE: PRINCETON, N.J.

BODY:

PRINCETON, N.J. - Outlining an election-year tax cut, President Clinton on Tuesday proposed a new \$ 1,500 tuition tax credit that could help guarantee two years of college education for all Americans.

Payment for the net cost of the credit would come from an increase in departure fees for airline passengers traveling outside the country and curtailment of foreign tax credits for U.S. businesses, among other items.

Clinton, in a commencement address at Princeton University, said the two-year tax credit was vital to keeping Americans prospering in a 21st century economy and for making at least two years of college as accessible as high school.

"I want to say today that I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said.

"This is not just for those individuals, this is for America.

Your America will be stronger if all Americans have at least two years of higher education," Clinton said.

Senate Majority Leader Bob Dole, the presumptive Republican presidential nominee, criticized the tax increase proposals made by Clinton to pay for the tax credits.

"There he goes again," Dole said while campaigning in Virginia, using the line Ronald Reagan made famous in a debate with Jimmy Carter. "Who knows what taxes he will increase should he be re-elected? "

Clinton's tax-break plan has little chance of passing in the

Republican-controlled Congress.

The bulk of the education program's six-year \$ 25 billion cost would come from alterations in the previously proposed \$ 10,000 tax deduction that would provide all but \$ 7.9 billion.

Clinton proposed restoring an expired international airline departure fee and increasing it from \$ 6 per passenger to \$ 16 per passenger to raise \$ 2.3 billion over six years. The plan would raise another \$ 3.5 billion by reducing the foreign tax credits businesses claim as export profits on foreign sales.

The sale of radio frequency spectrums could bring another \$ 2.1 billion.

The White House immediately released a comment Dole made in February while campaigning in Iowa in which he praised Clinton's tax credit suggestion, initially made during the budget negotiations between the administration and Republican congressional leaders last fall.

"In all these 50 hours of talks we talked about, President Clinton had an idea that was pretty good and that was credits for two-year college students," Dole said on Feb. 3, according to the White House document.

Officials denied Clinton's announcement was connected to politics or tied to speculation about Dole's consideration of a tax cut proposal.

"The White House has absolutely no idea what proposals, if any, Senator Dole will make. We remain committed to expanding college opportunities. We've been working on this idea for some time. . . and the president believes this is a good idea," said Mike McCurry, the White House spokesman.

Dole was campaigning in Richmond, Va., touring an affordable housing complex to point up his contention that the federal deficit is responsible for higher interest rates.

Dole reminded the crowd that Clinton had campaigned on a middle-class tax cut in 1992 but pushed through a \$ 265 billion tax increase as president in 1993. The tax increase was part of Clinton's \$ 500 billion deficit-reduction plan that year.

Dole himself voted for tax increases in 1982 and 1990 to reduce the deficit.

The White House calls the new tax credit proposal the Hope Scholarships and said it was patterned after a similar program in Georgia, where community college enrollments have nearly doubled since the state grant began in 1993.

The scholarships would provide a \$ 1,500 tax credit for the first year of community college or university tuition for

families earning up to \$ 100,000 or single taxpayers earning up to \$ 75,000.

For the second year under Clinton's plan, the student must have earned at least a B average to qualify for the \$ 1,500 tax credit. A tax credit, unlike a deduction, ensures the taxpayer receives full credit for the amount.

The latest announcement would allow families to choose either the \$ 10,000 deduction or the \$ 1,500 tuition tax credit.

The average cost of tuition and fees in Texas' public two-year colleges is \$ 672 per school year.

Clinton said that a college-educated worker earns 73 percent more than a high school graduate today, compared to 38 percent more than 15 years ago.

Clinton, in a ceremony honoring Princeton's 250th anniversary, called his proposal "America's most basic bargain. We'll help create opportunity if you'll take responsibility. ' ' He asked the 1,107 Princeton graduates to "not walk away from our common purpose" even though they, because of their education, likely will prosper.

Princeton's annual tuition and living expenses total \$ 29,500 a year, making the Ivy League school one of the nation's most expensive.

Georgia Gov. Zell Miller, who flew with Clinton to Princeton, called Clinton's proposal "this very bold and this very far-reaching program. ' ' He said Georgia is approaching 200,000 students who have received the state scholarship.

"We live in a time where it is more important for our students to get a college education than ever before. But we also live in a time where it's never been harder for families to pay for that education," Miller said.

GRAPHIC: Photo: President Clinton addresses Princeton University graduates Tuesday (p. 18); Associated Press

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 1996

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Sacramento Bee

June 5, 1996, METRO FINAL

SECTION: MAIN NEWS; Pg. A1

LENGTH: 1320 words

HEADLINE: CLINTON ASKS FOR NEW AID FOR COLLEGE

BYLINE: Leo Rennert, Bee Washington Bureau Chief

DATELINE: WASHINGTON

BODY:

President Clinton, in a sweeping call to extend universal education through two years of college, Tuesday proposed a \$ 1,500-a-year tax credit to enable students from modest-income families to pay tuition and fees in their freshman and sophomore years.

The tax credit, dubbed a Hope Scholarship, would give two-thirds of all community college students throughout the country a tuition-free education. It also could be used to lower expenses in the first two years at four-year institutions.

With Republicans pushing higher, across-the-board tax cuts, Clinton opted for a less pricy tax incentive aimed at working Americans who find it increasingly difficult to send children to college.

Combined with a previous Clinton proposal for a \$ 10,000-a-year tax deduction for post-high school training and education expenses, the new plan would cost the Treasury an estimated \$ 42.9 billion over the next six years -- a \$ 7.9 billion increase over the earlier program.

To keep his pledge to balance the budget by 2002, Clinton recommended \$ 7.9 billion in revenue offsets, including \$ 2.3 billion from extending the international departure fee for airline passengers and raising it from \$ 6 to \$ 16; \$ 2.1 billion from radio-spectrum auctions; and \$ 3.5 billion from higher taxes on multinational corporations.

Sen. Bob Dole, Clinton's presumptive November challenger, and House Speaker Newt Gingrich questioned the timing and credibility of Clinton's proposal.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

Gingrich also dismissed the proposal. "I love watching the president during an election," he said. "I mean, every year he's for tax cuts. But it worries me: Does that mean that in '97 he'll be for a giant tax increase on college students?"

Clinton unveiled his new plan in a commencement address at Princeton University, where he told graduates of the expensive Ivy League school that, while his proposal was not tailored to their needs, they would greatly benefit from living and working in a better-educated America.

"America will be stronger if all Americans have at least two years of higher education," he said.

With Americans having to compete in a global, high-tech marketplace, Clinton said, education more than ever is the key to improved living standards.

Under Clinton's plan, students could opt for either a tax credit of up to \$ 1,500 or a deduction of up to \$ 10,000 but not both. Once the two-year credit was exhausted, students could switch to the deduction in their junior year and beyond.

The credit represents a better break for those in lower tax brackets and is designed to help Clinton firm up his Democratic base this fall; the deduction would be a bigger bargain for those in higher ones.

For example, a student with tuition costs of \$ 2,000 would be able to write off \$ 1,500. Even if that student had little or no tax liability, he or she still could claim the tax credit for the full amount of tuition up to \$ 1,500.

In contrast, a family with a \$ 10,000 tuition bill in the 28 percent bracket could use the deduction to lower its taxes by \$ 2,800.

Clinton said students could get a second Hope Scholarship in their sophomore year only if they earned at least a B average in their freshman year and stayed off drugs.

Based on 1994-1995 figures, the administration said Clinton's tax-credit plan would cover 100 percent of tuition costs at community colleges in all but 17 states. Fees at two-year institutions in California would have been fully covered if the plan had been in effect last year, as would most of the fees at a California State University campus.

With Clinton and the GOP-controlled Congress far apart, the White House does not expect its plan to win approval this year. But Clinton decided to give it high visibility as part of a strategy to develop a set of expanded federal incentives and benefits to help working families overcome wage stagnation and job insecurity.

Clinton touted another budget proposal with significant increases for Pell grants to low-income college students. Under his six-year, balanced-budget plan, Pell grants would rise from a maximum of \$ 2,470 this year to \$ 2,700 in 1997 to \$ 3,128 in 2002.

The White House said the new GOP congressional budget would reduce maximum Pell awards to \$ 2,055 by 2002 and authorize 2.7 million fewer grants over six years.

By sharpening his focus on middle- and lower-income groups, the president sought to distinguish his tax cuts from the GOP's. Many Dole advisers have been

Sacramento Bee, June 5, 1996

pushing a 15 percent across-the-board income tax cut or a two-tier flat tax of 15 percent and 28 percent brackets. Either way, such plans would entail larger losses of federal revenues and disproportionately benefit the wealthiest taxpayers who now pay a 39.6 percent income tax rate.

GRAPHIC: Bee/Mitchell Brooks

Tuition assistance

President Clinton on Tuesday proposed expanding a tuition assistance program for families with college students. Clinton earlier backed a tuition tax deduction up to \$ 10,000 per year for families. Both programs would be phased out when joint filers reached \$ 80,000 to \$ 100,000 in income. Here are the details:

\$ 1,500 Tax credit: Families could receive a tax credit for college tuition fees up to \$ 1,500 per student for each of the first two years of college. The tax credit, a direct subtraction from the income tax bill, would cover tuition payments for most students attending two-year community colleges. College students attending half-time could get up to \$ 750 annually for two years. To continue eligibility, students would have to maintain a B average and stay drug-free. Six-year cost: \$ 25.1 billion.

\$ 10,000 Tax deduction: Families could deduct college tuition fees up to \$ 10,000 annually. The deduction, subtracted from taxable income, would benefit families who itemize on their tax returns. Taxpayers could take either the tax credit or tax deduction, but not both in the same year. However, they could opt for the tax credit in the first two years and switch to the tax deduction after that. The \$ 10,000 annual limit applies no matter how many students a family is putting through college. Six-year cost: \$ 17.8 billion.

Average student fees in California

University of California	\$ 4,139
California State University	\$ 1,584
Community college	\$ 390

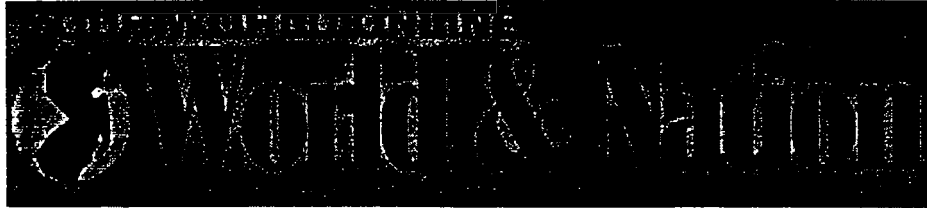
Source: The White House

(To view complete chart please see microfilm)

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 1996

Asbury Park Press, Asbury Park, NJ



Clinton outlines college tax credit plan at Princeton ceremony

□ Dole sets date for leaving Senate

By LAURENCE ARNOLD
STAFF WRITER

PRINCETON — Addressing college graduates who shelled out well over \$100,000 for four years of Ivy League schooling, President Clinton Tuesday expanded his election year plan to make higher education more affordable through tax incentives.

Princeton University's 249th commencement — a milestone in the year-long celebration of its 250th anniversary — gave Clinton a platform to discuss the importance of education, as well as a regal showcase for a visit to New Jersey on Primary Day.

Speaking to more than 10,000 people under arching trees on the Princeton campus, Clinton proposed a new tax incentive designed to make two years of college education "as universal as high school."



His plan for what he labeled "America's HOPE Scholarships" would guarantee tax credits that would cover two years of tuition — up to \$1,500 a year — at a community college for any student who maintains at least a B average and stays away from drugs.

"We'll help create opportunity if you'll take responsibility," Clinton said, echoing a theme that has become central to his administration. "This is the basic bargain that has made us a great nation."

The proposal drew immediate criticism from Clinton's Republican challenger, Bob Dole, and from House Speaker Newt Gingrich. "In every election year, he's for tax cuts," Gingrich told a Washington news conference.

Another critic was New Jersey resident and former presidential candidate Steve Forbes, a 1970 Princeton graduate who attended the commencement. Forbes told reporters that Clinton's tax proposal is "fine in and of itself" but not large enough to truly give tax relief to middle class Americans.

As an official White House trip, Clinton's visit to Princeton was funded by the government. It was his fourth trip to New Jersey this year.

The visit was steeped in history.

The commencement ceremony took place on a shaded quadrangle in front of the ivy-framed brick facade of Nassau Hall, which served as a capitol of the United States in 1783. Clinton became the 18th American president to receive an honorary degree from the prestigious university, but the first to do so while in office.

As university president Harold T. Shapiro bestowed Clinton with an honorary doctorate of laws, university orator Robert H. Rawson called him "eloquent and thoughtful, famously empathetic, indefatigable and resilient ... master of both politics and policy."

Returning the praise, Clinton noted that several of his key staff members, including press secretary Mike McCurry and national security adviser Anthony Lake, graduated from Princeton.

Repeating a theme he has used in New Jersey and elsewhere this year, Clinton said society stands "at the dawn of a profoundly new era," an "age of possibility" in which the world will function as one unit connected by technology and information.

The president told the 1,773 students graduating with bachelor's or advanced degrees that for them, this will be "an age of high probability" because of their educational background.

"But we know that not all Americans see the future that way," Clinton continued.

"We know that about half of our people in this increasingly global economy are working harder and harder without making any more money, that about half of the people who lose their jobs today don't ever find another (equivalent) job," he said.

The new scholarships that Clinton proposed would take the form of a refundable tax credit of up to \$1,500, or \$750 for part-time enrollment. The \$1,500 figure is \$300 more than the national average community college tuition, meaning that in most states, the credit would make community college free to any student.

But New Jersey is one of 17 states in which the average tuition at public two-year colleges exceeds \$1,500. According to the U.S. Department of Education, the average community college student in New Jersey paid \$1,762 in the 1994-95 school year. Clinton Tuesday challenged states to bring their tuitions down to \$1,500.

A family could claim the \$1,500 credit for tuition at a two-year or four-year college. But many families looking to finance a four-year education — especially at a private university such as Princeton — would fare better by instead taking advantage of another Clinton proposal, one that has stalled in Congress, for a \$10,000-a-year income tax deduction for college tuition.

Wary of criticism that his election-year proposals threaten balanced budget efforts, Clinton spelled out three measures to pay for the estimated \$7.9 billion cost of the new scholarship program over the next six years.

They include reinstating a lapsed \$6 departure fee for international air travelers and boosting it to \$16 a passenger; selling frequencies on the radio spectrum; and narrowing a tax loophole that allows multinational corporations to limit the taxes they pay.

The scholarship program is based upon, and named after, a scholarship fund created in 1993 by Georgia Gov. Zell Miller, a close Clinton friend who joined the president in Princeton Tuesday.

The Georgia HOPE program (which stands for Helping Outstanding Pupils Educationally), funded by revenue from the state lottery, provides full tuition, fees and books at any in-state public college to students who maintain a B average.

Some 191,300 students have benefited from the program since its inception in September, 1993.

"Georgia's success shows this can be done," Miller, a Democrat, told reporters after the commencement. "There was very little partisan politics in this. I got a lot of Republican support."

Students at Brookdale Community College in Middletown Township welcomed the proposal, but some also were cautious.

Eugene Liebmann, a business management student from Somerville, questioned why the tax credits are linked to grades. That may hurt the students who take more difficult courses, he said.

"I'm not sure it's the way to go," Liebmann said. "(Some students) try and try and all they get is a C ... Why can't they get that tax break, too?"

But for Maura Grady, a part-time student from Manalapan, such a proposal could have expedited her education. Because of finances, it took her 10 years to earn her bachelor's degree and five years for her master's, she said.

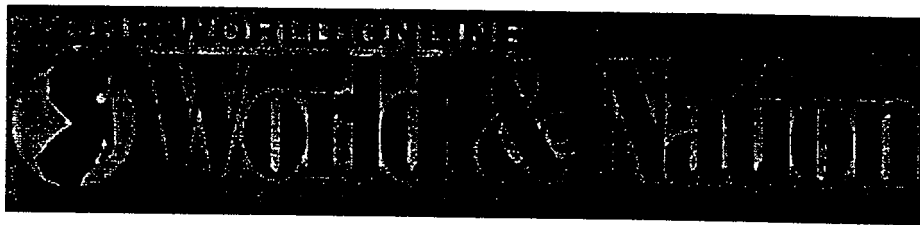
Some Princeton graduates and their parents said they welcome any effort to help pay the rising cost of a college education. At Princeton this year, tuition and fees reached \$20,900, and total cost including room, board and books topped \$29,000.

"I hope the tax credit comes through by the time our other child goes to college," said Dastoor Marguerite of Pasadena, Calif., who watched her oldest daughter, Shiraz, graduate Tuesday with a degree in comparative literature.

Mrs. Marguerite said she and her husband found minimal help in financing their daughter's Princeton education, which cost at least \$120,000 over four years.

"All the merit scholarships are gone," she said. "It's all based on financial need now. And in California if you own a house, like we do, you don't qualify."

Staff writer Christine Federico and The Associated Press contributed to this story.



Clinton touts \$3,000 in tuition breaks at \$120,000 Princeton

□ Presidential push for higher education

By MARTHA McKAY
STAFF WRITER

Too late, just too late.

That was Dennis Schmidt's response Tuesday when President Clinton proposed to give college-bound students, or their parents, a \$1,500 tax credit to cover two years of college tuition.

Schmidt had reason to lament: The Vermont engineer had just watched his daughter Lauren receive her Princeton University diploma.

Price tag? About \$120,000 for the four-year Ivy League degree, and the Schmidts are deep in debt.

Despite the exorbitant cost of a Princeton sheepskin, Clinton used the ivy-covered venue Tuesday to announce a plan that's likely to have greater impact on community college students.

In a graduation ceremony marked by pomp and tradition, Clinton received an honorary law degree and delivered the school's 249th commencement address in which he outlined the tax credit plan, dubbed America's Hope Scholarships.

Clinton said his plan would make "14 years of education the standard for every American" by guaranteeing a \$1,500 tax credit for anyone who wants to go to college.

The tax credit would cover the tuition for one year at most community colleges. Clinton challenged states where the cost exceeds that amount, including New Jersey, to pick up the difference.

Under the president's proposal, based on a similar plan already in place in Georgia, money would be available for a total of two years; the first year would be an automatic \$1,500 credit and the second year would be available provided a student maintained a B average.

Reaction to the president -- and his message -- was mixed among the hundreds of graduates and parents who milled around after the ceremony, snapping pictures and searching for relatives.

Some graduates were pleased Clinton came to speak and felt he was inspiring, but others felt politics edged into an event where it didn't belong.

And some graduates seemed content at simply seeing the president in person.

"He looked stately, and that hair -- I think he got elected because of his hair," joked Lisa Neely, a Landsdale, Pa., resident who received her master's degree in architecture Tuesday.

A handful of abortion foes tried, but largely failed, to disrupt the ceremony by yelling outside the walls. They included a 1990 Princeton graduate, Franco Pagnanelli, who said he came to protest Clinton's pro-choice stand.

For the most part, the graduates paid careful attention to the president's proposals.

Raymond Gonzalez, 22, of Hazlet, who is on his way to teach English in Mexico, hailed the tuition-credit plan but questioned whether it would be effective at the local level.

Another student worried that linking a B average to a tax credit might lead to problems such as students trying to bribe teachers for that all-important grade.

Matthew Loncar, a 22-year-old from Cedar Grove, said he enjoyed the speech and felt Clinton was "genuine and sincere."

But when the president said that two more years of higher education for all will bring about a stronger country, Loncar said he felt the government needs to direct its attention to younger children and family values before it addresses higher education.

"Education begins at home, and if you're not getting the basics at home, any teaching is going to be impossible," said Loncar.

Ronald Kim, 20, of East Brunswick felt the plan to give tax credits for college was "a workable one."

As did others in the audience, Kim wondered why Clinton chose Princeton to announce a plan that would target students at less expensive schools.

"He's talking here to what I would say are future leaders, and future leaders need to be reminded we have to look after everyone else," said Kim.

Others pointed out that the majority of students at Princeton receive some kind of financial aid.

There were students who took a dim view of the president's visit.

One woman, Janna Andrews, 21, of Rochester, N.Y., said, "It sounded good; it all sounded good, but he wasn't talking to me, it wasn't relevant to me."

Matthew Hansen said he supported the president's proposals but was disappointed when, toward the end of his speech, it seemed to turn political.

It was not unexpected, said Hansen, a political science major. But, he added, it would have been nicer if the president had spoken more directly to the graduating class. Clinton's presence, he said, "marred the event."

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Posted: 06/05/96 08:31:08 AM



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Clinton tax plans push higher education

By JEFF SCHLEGEL
STAFF WRITER

President Clinton's HOPE Scholarship plan, unveiled during his Princeton University commencement speech Tuesday, is an extension of his overall education tax-break proposal to make higher education more affordable.

The proposal, a \$1,500 tax credit for families earning up to \$100,000, is designed to encourage people to get at least two years of college. Clinton's thesis is straightforward: More than ever, income potential is tied to one's education level.

"The (U.S.) Census Bureau estimated that for a high school graduate, the average lifetime income is about \$800,000," Gene Sperling, the president's deputy assistant for economic policy, said at a press briefing. "For someone who goes on and gets some college, it's upwards of \$1 million. For a college graduate, it's even more than that."

The tax credit complements Clinton's proposed \$10,000-a-year income-tax deduction for college education and certified training and technical programs, a plan that currently is mired in Congress. The projected tab for the combined programs would be \$42.9 billion, of which \$7.9 billion was raised from other areas to keep the plans within balanced-budget confines.

The HOPE -- Helping Outstanding Pupils Educationally -- program offers all students a \$1,500 taxable refund for full-time tuition and \$750 for part-time course work in the first year. To remain eligible for the credit during their second year, students must earn at least a B average during their first year and stay drug free. A student would be ineligible if he or she is convicted of committing certain felonies involving controlled substances or dangerous drugs.

"The \$1,500 is applied toward any school you go your first two years," Sperling said. "Somebody at Princeton could apply; so could somebody at a community college."

In general, the tax credit is aimed at low-income people, while the tax deduction is more for higher-income people with children at more expensive universities. The \$1,500 tax credit in effect would serve as a down payment for people going to more expensive four-year colleges.

The \$1,500 is \$300 more than the average community college nationwide costs per year. The average community college in New Jersey costs \$1,762 a year, meaning the tax credit would cover 85 percent of tuition and fees.

"Our hope is that as we publicize the state-by-state charts and people see that the average cost is \$1,200, there might be certain public pressure the other way on citizens to ask why a community college in their state is so much above the national norm," Sperling said.

But don't expect schools to bring down their costs to meet the proposed \$1,500 credit.

"We do all we can to keep prices down, at least parallel to inflation," said John Bakum, president of Middlesex County College, Edison. Tuition and fees for full-time students at the school are roughly \$1,600 to \$1,700, and costs will rise 3.9 percent in the next academic year.

The Clinton administration said the HOPE program would be indexed to inflation each year to protect its value.

Bakum said the program could be worth a try. "I need to see more details, but it sounds like a step in the right direction."

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Clinton Calls for Increased Investment in Education At Princeton University's 249th Commencement

Saying that "America knows that higher education is the key to the growth we need to lift our country," President Bill Clinton outlined a plan for making 14 years of education the standard for every American when he spoke at Princeton University's 249th Commencement exercises on Tuesday.

Addressing his remarks to the graduating class of 1996, Mr. Clinton called for giving a tax deduction to help families pay for higher education as well as a tax credit for individuals to guarantee their first year of college and to pay for the second year if they earn a B average in the first.

In a speech that mixed economic themes with calls for educational opportunities for all, he told the audience of upwards of 10,000 people seated in front of Nassau Hall that "today, more than ever before in the history of the United States, education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy."

He told the graduates, "Your America will be stronger if all Americans have at least two years of higher education." He suggested that the scholarships he was proposing be known as America's HOPE Scholarships, modeled after a similar program in the state of Georgia, and said it would be paid for by budgeted savings in the balanced budget plan.

Mr. Clinton was applauded at several points during his talk, including when he told the graduates "the greatest challenge of your age will be to prove that we can bring prosperity and opportunity to people all across the globe without destroying the environment." He asked them "never be satisfied with an age of probability for only the sons and daughters of Princeton. You could go your own way in a society, that, after all, seems so often to be coming apart instead of coming together. But you should not walk away from our common purpose."

He defined this as "preserving the quality of our democracy, the integrity of every person standing as an equal citizen before the law, the ability of our country to prove that no matter how diverse we get, we can still come together in shared community values to make each of our lives and our family's lives stronger and richer and better. This is not about money."

Mr. Clinton's speech, which lasted exactly 31 minutes, was the climax of Commencement ceremonies in which he was one of six recipients of honorary degree. He was an honorary doctor of law. The citation, read by University Orator Robert H. Rawson, Class of 1968, noted that the President had been "Named for Jefferson, raised after Roosevelt, touched by Kennedy, (and as our first baby boomer President was born not in privilege but in Hope —

Continued on Page 47



MAKING A PITCH FOR HIGHER EDUCATION: Addressing graduates President Clinton outlined a plan for making 14 years of education the standard for all Americans.

Steve McCarty photo

and he has never lost that native optimism or that vision of a better tomorrow." He described the President as "Eloquent and thoughtful, famously empathetic, indefatigable and resilient, he is at once master of both politics and policy."

"Impulsive, imaginative and unafraid of new ideas, he uses his experience to refine his course of action, pressing ever forward, teaching our nation to do the same. In this, its 250th year, Princeton is privileged to honor a citizen who has given a lifetime of service in one-fifth that time."

The President entered the area in front of Nassau Hall where Commencement is traditionally held at the end of the academic procession, which began at 10:40 and continued to 11:15. According to Thomas Wright, Princeton University vice president and secretary, Mr. Clinton and the White House staff made it clear from the beginning they wanted to honor Princeton's Commencement traditions as much as possible, and they did not want the presence of the President to detract from the importance of the day for the parents and families of the graduates.

Walking alongside Princeton University President Harold T. Shapiro in front of Stanhope Hall and through the roped off procession area to the walk in front of Nassau Hall, President Clinton was greeted by a wave of applause with cheers and whistles that grew louder as more of the audience became aware of his presence. After gaining the platform on which trustees, deans, senior faculty and award recipients were seated, he waved to the audience before taking his seat to the right of the podium.

Many in the audience had been in their seats for nearly three hours, but as one seemed to yawn, they read their newspapers and nibbled on bagels or Danish they brought with them. Coffee seemed to be available to those who knew where to find it. At one point the line to the porta-potties tucked discreetly off to one side was said to be 25 minutes long.

The weather was an inevitable topic of conversation. The three days of June had brought three perfect June days — sunny and warm, with blue skies, a gentle breeze and no humidity. Then on Monday, when the Class Day exercises were held for the Class of 1996 outdoors on Cannon Green behind Nassau Hall, it poured. Although there were tents set up, many of the parents and friends of the graduating class sat huddled in the orange ponchos that had been ordered in case it drizzled on Commencement. Many brought those ponchos or their own raincoats to Commencement, not quite trusting the weather forecast, which called for gradually increasing sunshine with a possibility of thunderstorms later in the day.

Photographers, both local and national, were given a prime location on wooden ground level platforms on either side of the walk leading to Nassau Hall. Next came the candidates for advanced degrees, seated on wooden folding chairs, with the Ph.D. candidates clustered in front. To one side were special guests, including Gov. Zell Miller of Georgia, Leon Panetta, the President's chief of staff, and Molly Ralser, the chief of protocol. Mrs. Shapiro was seated on the other side with Mrs. William Bowen and Mrs. Robert F. Gohmert.

The candidates for undergraduate degrees, all 1107 of them, were seated in row after row of folding wooden chairs in the middle section behind the advanced degree recipients. To the back and to the side in metal folding chairs and in bleachers were parents and friends. Each graduate was allotted five tickets for guests. There seemed to be not an inch of space for one more person.

Music by Princeton's a cappella and choral groups played through the loudspeaker system helped pass the time. At 10, the Concerto Soloists of Philadelphia, conducted by Michael Pratt, conductor of the Princeton University Orchestra, began to play.

But even without the music, it was entertaining to watch the last minute arrangements being carried out, and to speculate just where the President would enter. At one point, the University arboretist and his crew brought in potted plants to place in front of the podium. Immediately there was an outcry from the photographers that the plants were too tall and would interfere with the sight lines in their viewfinders. Without warning a single protest, the arboretist's crew snipped off the tops of each one.

John V. Fleming, Fairchild Professor of Comparative Literature and the chief marshal for University Conventions, returned at least three times to check on the seating on the platform. Later he said that the thing that had made his role difficult were the last minute changes, each one "cataclysmic," as he put it.

At last one could see that the academic procession was beginning to move in front of Stanhope Hall. The crowd rose, many standing on tip-toes to try to catch a better glimpse. When everyone was in place, and Mr. Clinton had acknowledged the cheers of the crowd, it was Prof. Fleming who stepped to the podium to "announce" the President of the United States, William Jefferson Clinton, and to "present" the President of Princeton University, Harold T. Shapiro, who would preside at Princeton's 249th Commencement.

Afterwards, President Clinton was escorted to Prospect House and a reception for invited guests. There he thanked everyone for the warm hospitality and said he would give his daughter Chelsea "a full report" on Princeton University.

President Shapiro gave the President some gifts to take home: a medallion of Nassau Hall created for the 150th Anniversary, a Presidential T-shirt with Nassau Hall and the three buildings named for Presidents who had attended Princeton — Madison Hall, Wilson College and Cleveland Tower; a crystal tiger paperweight, and Princeton sweat-shirts for Hillary and Chelsea.

The President moved among the guests, shaking hands and posing for pictures before departing at 2:30.

It was an extraordinary occasion, beautifully organized and orchestrated, a commencement that the Class of 1996 will remember all their lives. One wonders, however, how Princeton can top this, how it will celebrate its 250th Commencement a year from now.

—Barbara L. Johnson

PRINCETON
TOWN TOPICS
6/5/96

Clinton follows LBJ, 30 years later

By JIM GOODMAN
Staff Writer

PRINCETON BOROUGH —

Thirty years ago, President Lyndon Johnson came to Princeton University to defend the Vietnam War, the military conflict that eventually undercut the domestic programs he hoped would change the face of America.

Yesterday, President Bill Clinton came to the same university to try to put new life into a domestic agenda that has been crippled for two years by a conservative Republican Congress and could be reduced to the ash heap of history by the November election.

The three decades that have elapsed between appearances of a sitting president on the campus of this 250-year-old Ivy League college encompass a revolution in American politics, from the birth of the radical left to the emergence of the radical right.

Though Clinton was only a sophomore at Georgetown University when Johnson spoke here May 6, 1966, there is a connection between the two events that helps tell the troubled stories of the 36th and the 42nd presidents of the United States.

Johnson was officially here to get an honorary degree and dedicate the Yamasaki building that houses Princeton University's Woodrow Wilson School of Public Affairs.

BUT HIS REAL purpose was to defend himself against the critics of the Vietnam War, led by U.S. Sen. William J. Fulbright, the Arkansas Democrat who was Clinton's political mentor and role model in Arkan-

ANALYSIS

sas politics. Clinton was an intern for Fulbright at a time when he, too, joined the anti-war movement. His efforts to avoid being drafted into the war have hung over his career ever since.

Johnson said America's role in the Vietnam War was justified because "our great power has been tempered by great restraint."

He asked a questioning, but not hostile, audience: "What nation has announced such limited objectives or such willingness to remove its military presence once those objectives are removed?"

The optimism that the war could be won by the South Vietnamese and that United States troops would come home reasonably soon was still alive when Johnson spoke. In the ensuing weeks, the tragedy of the war became clear.

For only the second time in the five years of supposedly limited warfare, more Americans were killed in action than their allies — 82 American soldiers and 61 South Vietnamese soldiers.

The war, which eventually claimed 50,000 American lives, was quickly becoming an American war that would destroy Johnson's presidency and lead to the re-emergence of the Republican Party under Richard Nixon's presidency.

IF JOHNSON had attempted to make the same speech a year later, he would have risked turning the Princeton campus into a massive anti-war protest, with many of the students and faculty who listened to

him politely turned into radical anti-war activists.

The audience that Johnson addressed was almost entirely white and mostly male. The only Vietnamese that most Americans had ever seen were featured nightly on the network news coverage of the Vietnam War.

The world and America has changed radically in 30 years.

The audience Clinton addressed yesterday was almost evenly split between men and women. There were significant numbers of American blacks. And most dramatically, there were students, faculty and parents of almost every racial hue, from Southeast Asia to South America.

Little mention of war was made by Clinton yesterday, except to praise the GI Bill of Rights that was created after World War II as a vehicle to get returning war veterans into college and eventually back into the work force.

Clinton asked yesterday that the commitment America made to the GIs after the big war be revived again. He said it could give birth to "an age of possibility."

The president said he has already asked Congress to enact a \$10,000 annual tax deduction to help parents pay for their children's college.

YESTERDAY, HE proposed making a two-year college education available to qualified students.

The plan would pay the cost of tuition at community colleges for the first year after high school. Similar tax credits would be available for students at four-year colleges for the freshman year and even for the second year if the student achieved a "B" average.

There was nothing truly dramatic in Clinton's proposals. His speech drew polite and respectful applause but no real outbursts of enthusiasm from the Princeton students, who pay more than \$28,000 a year for tuition, plus room and board.

The soon to be radicalized dents who listened to Lyndon Johnson in 1966 are long gone. The dents who listened to Clinton yesterday were, according to college officials, more interested in their careers than politics.

"Fifteen years ago, I could have told you exactly how the student felt on political issues," said one college official. "Now, I would say the students probably like Clinton but are not committed to him or other politicians."

But some adults did have strong opinions.

"He was just looking for votes," said Karen Laurens of Potomac, Md., the mother of two Princeton graduates this year and one year. "It was not an honest speech. He's been dishonest his entire career."

Denise Knoller Berman, who taught school for 25 years in Maryland at the junior high school level, was angered by Clinton's speech. She called it "hypocritical," arguing that money would be better spent on early school education than community colleges.

"Community college tuition is \$800," she asserted. "Anybody wants to go to a community college can go. You give the schools money to (provide) 10 children a classroom and I'll show you what can be done. You give me 10 kids a classroom and I'll have every one of them passing algebra."

TRENTON TIMES
6/5/96

College credit pitch commences

Clinton addresses Princeton grads

By KATHY HENNESSY
Staff Writer

PRINCETON, BOROUGH. — President Clinton came to Princeton University's commencement yesterday, not so much to praise the graduates as to bury Bob Dole.

In a speech that echoed the politics of the presidential race, Clinton proposed a \$1,500 tax credit he said would make two years of college available to everyone, regardless of income. "If you are willing to work hard and take a chance."

Clinton delivered the commencement address and received an honorary doctor of laws degree at the university's 249th graduation ceremony.

More than 10,000 people attended the ceremony on the lawn in front of Nassau Hall, where 1,773 undergraduate and graduate degrees were awarded.

The president spent most of the day at the university, arriving from Washington, D.C., at the Trenton Mercer Airport about 9:30 a.m. and traveling in a black limousine with tinted windows through the borough, where the streets were lined with an estimated 1,500 onlookers.

He left Princeton for the airport about 2:45 p.m.

THE UNIVERSITY'S fears about rain were unfounded as sunny skies prevailed, and the elaborate security arrangements paid off as the day passed without incident. Borough Police Capt. Peter Hanley said there were no arrests made or criminal incidents reported yesterday.

At the commencement, Clinton outlined an educational program he said would make a college education "both accessible and affordable to all Americans" at any time in their lives.

Under Clinton's proposal, which is called America's HOPE Scholarships and is based on a similar plan in Georgia, two years of college would become "as universal as a high school education."

Clinton's program would provide a \$7,500 tax credit for a student's first year at a community college or university for families earning up to \$100,000 or single taxpayers earning up to \$75,000.

For the second year under Clinton's plan, a student would have to earn at least a B average to qualify for the \$1,500 tax credit.

The president's proposal builds on his earlier idea of a \$10,000-a-year tax deduction for college tuition and job training. That proposal has languished in Congress.

THE PLAN would allow families to choose the \$10,000 tuition tax deduction or the \$1,500 tuition tax credit.

A tax credit, unlike a deduction, ensures the taxpayer receives full credit for the amount.

The White House estimates the cost of the tax-credit program at \$8 billion over six years — in addition to the \$35 billion already in Clinton's budget for the tax-deduction proposal.

To offset the cost, Clinton would reinstate a lapsed \$5 departure fee for international air travelers and boost it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money for education from the auction of radio bands.

"This is about more than money," Clinton said. "This is about giving every single, solitary soul in this country a chance to be more fully alive."

Clinton's comments prompted an immediate rebuke from Republican presidential candidate Dole yesterday as he campaigned in Chester, Va.

"There he goes again," said Dole. "Who knows what taxes he'll increase if he should be re-elected?"

At Princeton yesterday, Clinton's participation in the commencement was the highlight of a yearlong celebration of the 250th anniversary of the university's founding.

CLINTON'S PARTICIPATION was particularly special because Princeton does not traditionally have an outside commencement speaker. The president of the university is usually the only nonstudent speaker to address the graduates.

Along with their excitement, the graduates yesterday also showed their sense of humor with a tradition that is part of every Princeton graduation.

In what is an "in" joke among students, the salutatorian, Charles P. Stowell, a classics major from Havre de Grace, Md., delivered his address in Latin and the graduates laughed and applauded at the appropriate times.

The students, who are supposed to impress their parents with their understanding of Latin, knew when to respond because they had special copies of the speech in English.

Stowell's speech razzed Clinton about his Yale roots — he is a graduate of Yale Law School — but the president laughed heartily on cue.

Later, he told the graduates, "I actually took four years of Latin in high school. And even without being prompted, I knew I was supposed to laugh when he was digging me about going to Yale."

In his address, Clinton said he was honored to help the university celebrate its 250th anniversary, but joked that only a handful of Democratic presidents have spoken at Princeton in the last century.

CLINTON WAS the first president to address a commencement while in office and the 18th to receive an honorary degree. Grover Cleveland spoke at a university convocation 100 years ago, and Harry Truman did so in 1947, in honor of the university's bicentennial.

"I understand that presidents are only invited to speak here once every 50 years," he joked. "You've got to say one thing, for all the troubles the Democrats have had in the 20th century, we've had pretty good timing when it comes to Princeton over the past 100 years."

Clinton told the graduates several members of his staff have connections to Princeton, as alumni or former teachers.

Mike McCurry, Clinton's press secretary, is a graduate of the Class of '76; the chair of the National Economic Council, Laura Tyson, is a former Princeton professor, noted Clinton.

Clinton also made reference to professor Woodrow Wilson's famous "Princeton in the Nation's Service" speech delivered in 1896 during the university's 150th anniversary.

In the speech, Wilson, who would later become the 28th president of the United States, renewed the school's commitment to public service, a theme first coined by Princeton's founders.

All have dealt with ways to carry the nation's economic prosperity into the 21st century. The earlier speeches were at Pennsylvania State University and the U.S. Coast Guard Academy.

FOLLOWING the commencement, Clinton congratulated and posed for pictures with members of Princeton's men's lacrosse and women's rugby championship teams.

The president then attended a reception with honorary degree recipients and university trustees at Prospect House on campus.

Clinton left the campus yesterday at 2:45 p.m. in a 22-car motorcade to Trenton Mercer Airport for a return trip to Washington, D.C.

CLINTON, who said he read Wilson's speech before he arrived at the commencement ceremony yesterday, quoted part of it for the graduates.

"Today we must stand as those who would count their force for the future. Those who made Princeton are dead. Those who shall keep it and better it still live. They are even ourselves," read Clinton.

In addition to Clinton, honorary doctor of science degrees were also awarded to former Princeton professor and scientific researcher Robert McCredie May and George A. Miller, a Princeton psychology professor emeritus.

Ruth J. Simmons, the vice provost of Princeton from 1982 to 1986 who has been the president of Smith College for the past year, was given an honorary doctor of laws degree.

Artist Toshiko Takaezu, received an honorary doctor of fine arts degree, and LeRoy T. Walker, president of the U.S. Olympic Committee, also received an honorary doctor of laws.

Yesterday's speech was Clinton's third commencement address.

TRENTON TIMES
6/5/96



AMERICAN ASSOCIATION OF COMMUNITY COLLEGES
ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

June 10, 1996

The Honorable William Jefferson Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

We write on behalf of the major national organizations representing presidents and boards of trustees of the nation's community colleges. Overall, our associations include some 1,100, public and private, associate degree-granting institutions and 80 percent of all community college boards of trustees. We wish to express our strong support for your "Hope Scholarship Tax Credit" proposal. The attached pages list some of our members who formally endorse the plan.

If enacted, your tax credit proposal would provide an extremely valuable addition to the existing federal student financial aid programs as a means of financing a college education. Community college educators also appreciate your recognition that it is imperative for most Americans to receive at least two years of postsecondary education, both for their own financial well-being as well as that of the nation's economic growth and stability.

The last fifteen years have seen an alarming erosion in the value of federal grant and work assistance. We are grateful that, on July 1, the Pell Grant maximum will increase by \$130 to \$2,470, and we appreciate and endorse your support for a maximum grant of \$2,700 in FY 1997. The Hope Scholarship Tax Credit proposal would augment Pell Grants and other financing vehicles now available to community college students. It could also send a powerful signal about the priority that the federal government places on college attendance.

We do have questions about some aspects of this proposal. These include the interaction of the tax credit with current student aid programs, and how the proposed B standard would mesh with existing Title IV standards of satisfactory academic progress. But we believe that these points can be worked through in the future.

We applaud you for your leadership in this area. We hope that you will continue to work to make high quality community college education and training readily available to all Americans.

Sincerely,

David Pierce
President, AACC

Ray Taylor
President, ACCT

Attachments

**AACC Community College Presidents
Supporting President Clinton's "Hope Scholarship Tax Credit"**

David Bartley, President	Holyoke Community College	Holyoke, MA
Jacqueline Belcher, President	DeKalb College	Decatur, GA
George Boggs, Superintendent, President	Palomar College	San Marcos, CA
Karen Bowyer, President	Dyersburg State Community College	Dyersburg, TN
Julius Brown, President	George C. Wallace State Community College	Selma, AL
Donald W. Bryant, President	Carteret Community College	Morehead City, NC
Walter Bumphus, President	Brookhaven College	Farmers Branch, TX
John Cavan, President	Southside Virginia Community College	Alberta, VA
John Davitt, President	Glendale Community College	Glendale, CA
Patricia Fisher, Chancellor	Yosemite Community College District	Modesto, CA
Leonardo de la Garza, President	Santa Fe Community College	Santa Fe, NM
Mary Ellen Duncan, President	SUNY College of Technology-Dehli	Dehli, NY
Augustine Gallego, Chancellor	San Diego Community College District	San Diego, CA
Steven Jones, President	Phillip County Community College	Helena, AR
Edward Liston, President	Community College of Rhode Island	Warwick, WI
E. Ann McGee, President	Seminole Community College	Sanford, FL
Robert Messina, President	Burlington County College	Pemberton, NJ
Harold Mitchell, President	Roanoke-Chowan Community College	Ahoskie, NC
Leila Gonzalez Sullivan Interim President	Gateway Community-Technical College-Long Warf	New Haven, CT
Paul Thompson, President	William Rainey Harper College	Palatine, IL
Barbara Sue Thornton, President	Cuyahoga Community College District	Cleveland, OH
Belle Wheelan, President	Central Virginia Community College	Lynchburg, VA

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Robert Watters	Mississippi Gulf Coast Comm. Col. Dist.
Joyce Moore	Pamlico Community College, NC
Daphne Yeomans	Pamlico Community College, NC
Don H. Perry	Wake Technical Community College, NC
W. Joseph Seel	Southwestern Community College, NC
Robert L. Edwards	Asheville-Buncombe Tech. Com. Coll., NC
John O. Tilson	Asheville-Buncombe Tech. Com. Coll., NC
T. C. Smith	Lenoir Community College, NC
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L. J. Lacina	Blinn College, TX
Sara Q. Brown	Haywood Community College, NC
Grovene Russell	Haywood Community College, NC
Robert L. Rugendall	Harrisburg Area Community College, PA

W. Terry Whisnant

William H. Murray

Southside Virginia Community College

Horry-Georgetown Technical College, SC

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Georgia Description / Stats
Divider Title: _____

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

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HOPE SCHOLARSHIP PROGRAM

Public
Colleges

September 1993

- B Average from H. S.
- Freshmen
- Sophomores
- \$66,000 Income Cap

September 1994

- B Average from H. S.
- Freshmen
- Sophomores
- *Juniors*
- *Seniors*
- **\$100,000 Income Cap**

Technical
Institutes

- Tuition

- Tuition
- **Mandatory Fees**
- **Book Allowance**

Private
Colleges

- Tuition
- \$500 Tuition Grant for Full-time Study

- Tuition
- **Mandatory Fees**
- **Book Allowance**
- **\$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

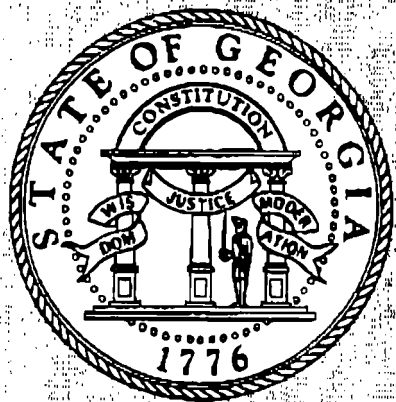
TOTAL FOR ALL PROGRAMS

	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

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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.

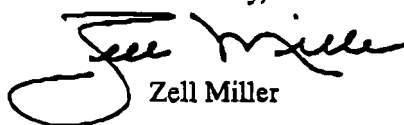
Georgia's statewide voluntary Pre-Kindergarten Program, which is open to all four-year olds, is being funded right now at the rate of \$1 million each school day. It is the most comprehensive program in the nation and reaches a higher proportion of our four-year-olds—those at risk and those not at risk—than 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

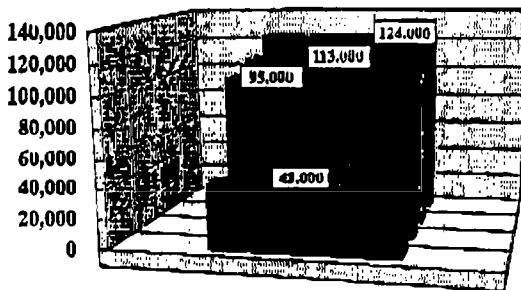
THE HOPE SCHOLARSHIP

Helping Outstanding Pupils Educationally

"[HOPE is] the most far-reaching state scholarship project in the nation."

Los Angeles Times, April 5, 1994

Georgia's HOPE Scholars



HOPE Scholars

- 1996-97 (FY 96) Projected
- 1995-96 (FY 96) Projected
- 1994-95 (FY 95)
- 1993-94 (FY 94)

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.

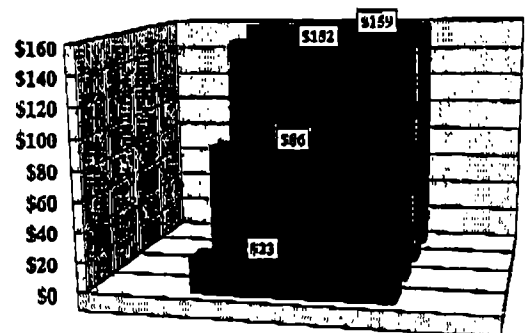
HOPE is the only scholarship program of its kind in the nation because it allows Georgia's hard-working students, regardless of family income level, the chance to get the education and training they need for the jobs of tomorrow.

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.

Lottery Expenditures for HOPE



Lottery Expenditures in Millions (\$)

- 1996-97 (FY 96)
- 1995-96 (FY 96)
- 1994-95 (FY 95)
- 1993-94 (FY 94)

Georgia's Lottery for Education

"Students are the big winners in Georgia's Lottery."

The Miami Herald, February 11, 1996

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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:

- scholarships for Georgia's hard-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 lottery funding for classroom technology. Construction projects at Georgia's universities and colleges has been paid 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.

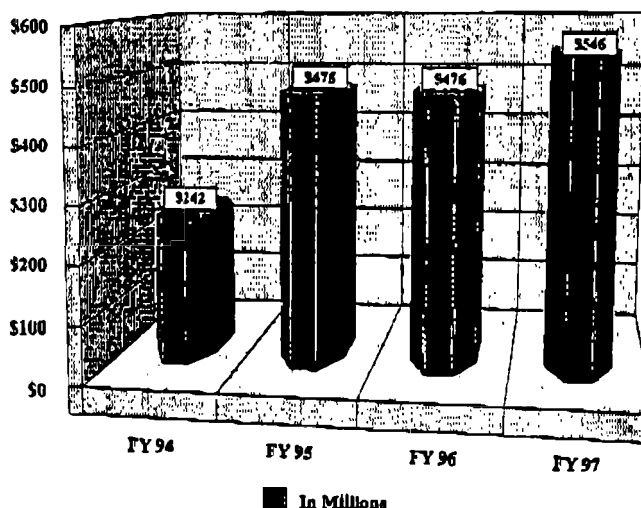
From Fiscal Year 1994 to Fiscal Year 1997, Georgia has appropriated \$447.6 million for HOPE Scholarships; \$482.1 million for Georgia's Voluntary Pre-Kindergarten

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

Miller Administration Total = \$1.7 billion (FY 94 to FY 97)





STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Zell Miller
GOVERNOR

Rick Dent
DIRECTOR OF COMMUNICATIONS

PRESS ADVISORY

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.

LOWERY HHS \$ BILLION

FY 1994-1996 FUNDING

<u>SCHOLAR-</u> <u>SHIPS</u>		<u>PRE-</u> <u>KINDER-</u> <u>GARTEN</u>		<u>TECHNOLOGY</u>		<u>SPECIAL</u> <u>CONSTRUCTION</u> <u>PROJECTS</u>	
\$227,820,730	HOPE scholar- ships	\$272,961,245	Pre-k program	\$59,762,500	classroom com- puters K-12	\$61,405,934	fastest growing schools program
\$10,000,000	HOPE teacher scholar- ships	\$3,000,000	Special needs Pre-k cap- ital outlay	\$40,467,500	school media center/library equip.	\$24,000,000	GCATT building
\$7,161,221	other			\$18,990,000	wiring & retrofitting K-12	\$54,858,133	DTAE satellite facilities
				\$16,404,078	satellite dishes	\$26,921,000	GPTV const.
				\$24,000,000	safe school equip.	\$10,000,000	Discovery Center
				\$53,073,239	other technology K-12	\$55,749,123	other
				\$118,241,000	technology for public colleges & universities		
				\$45,789,003	technology for tech. inst. & adult ed.		
\$244,981,951	TOTAL	\$275,961,245	TOTAL	\$376,727,320	TOTAL	\$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.

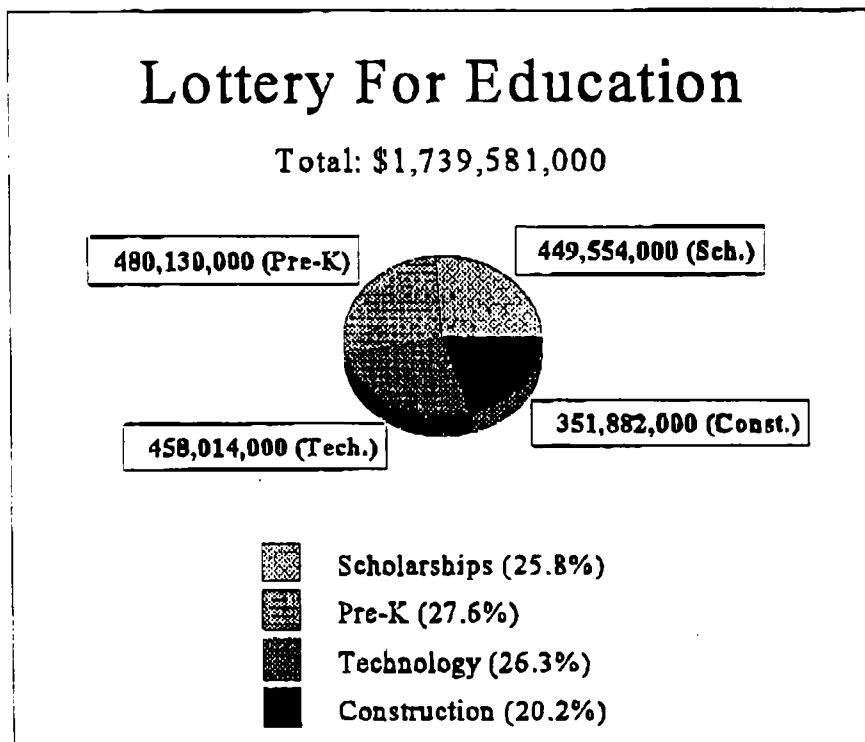
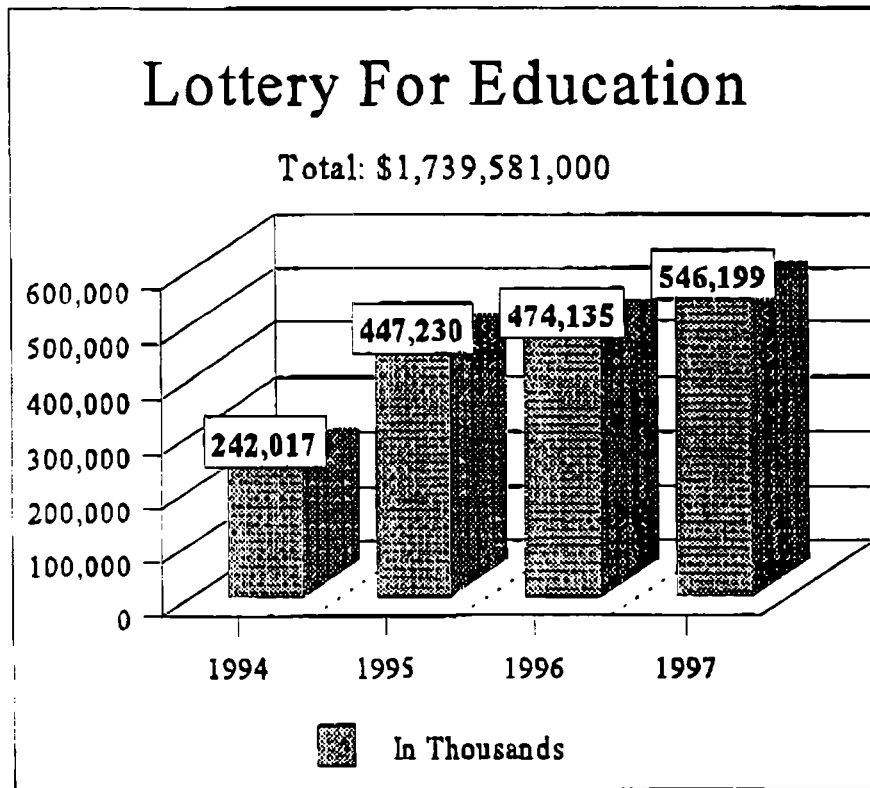
*Total student population in Georgia public schools, grades K through 12. Includes funding for classroom computers, media center/library equipment, satellite dishes, safe schools equipment, drug and antiviolence equipment, applied technology labs, and assistive technology.

**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, 1996

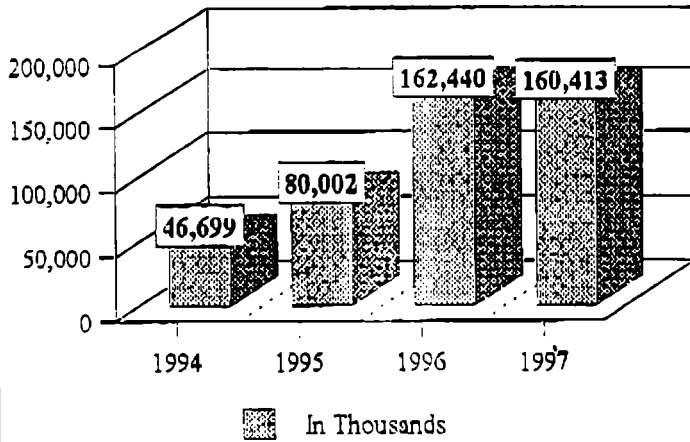
Total Lottery Expenditures, FY 94 to FY 97



Source: GA office of Planning and Budget, 1996

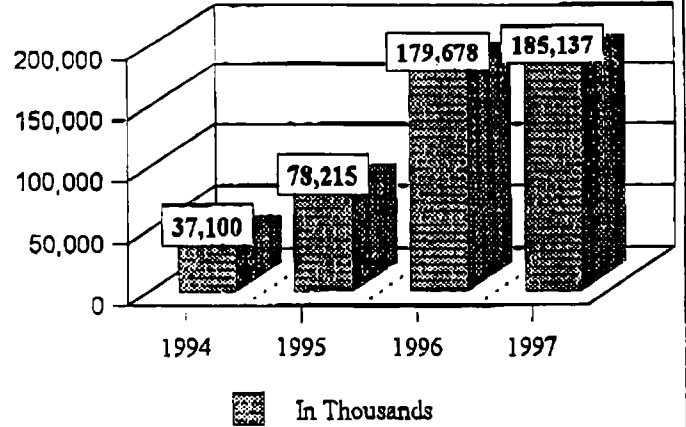
Scholarships

Total: \$449,554,000



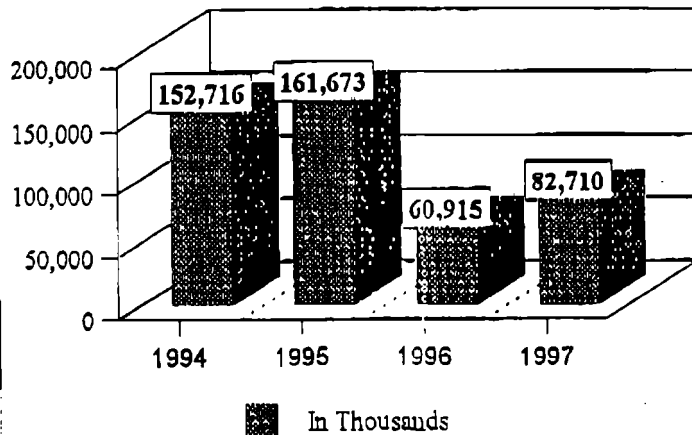
Pre-Kindergarten

Total: \$480,130,000



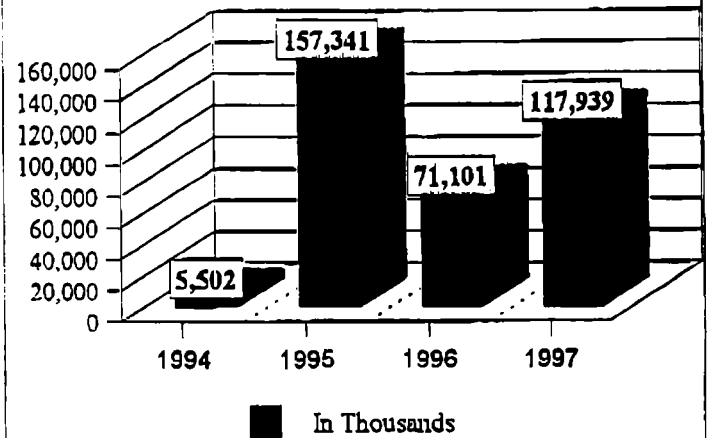
Technology

Total: \$458,014,000



Construction

Total: \$351,882,000



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Evaluation of the HOPE Scholarship Program

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Evaluation of the HOPE Scholarship Program

EXECUTIVE SUMMARY



In 1993, Governor Zell Miller and the General Assembly established the lottery-funded HOPE Scholarship program. While HOPE has several different components, this study addresses the HOPE recipients who received public college scholarships in the 1994-95 academic year. These students qualified for HOPE by graduating from high school with a "B" average or better and received tuition, fees, and a book allowance.

The purpose of this evaluation, conducted for the Council for School Performance by the Applied Research Center at Georgia State University, is to provide policy-makers and citizens with information about the HOPE program. The information summarized here is available in more detail in the full report. The report may be useful as further refinements of the HOPE program are considered by the Governor and General Assembly. This evaluation addresses four questions that are frequently asked about the HOPE Scholarship program:

1. Who receives HOPE scholarships?
2. What would be the impact on HOPE recipients of raising academic standards?
3. What is the impact on HOPE recipients of having a college prep diploma?
4. What is the impact on HOPE recipients of taking Learning Support (developmental studies) courses?

Each of these questions is addressed for the 16,376 HOPE public college scholarship recipients for 1994-95. The study examines how various factors impact student persistence in college and retention of the HOPE scholarship. In this study, a student has persisted in college if the student attended a Georgia public institution in Fall 1994 and is still attending a Georgia public institution in Fall 1995. A student retained HOPE if the student's cumulative college GPA was a 3.0 or higher after 45 hours of college course work.

WHO RECEIVES HOPE?

The 16,376 students who received HOPE in 1994-95 had the following characteristics:

- | | |
|---|--------------------------------------|
| ➤ 61% were female. | ➤ average high school GPA of 3.6. |
| ➤ 39% were male. | ➤ 27% are from Middle Georgia. |
| ➤ 76% were white. | ➤ 31% are from Metro Atlanta. |
| ➤ 20% were black. | ➤ 27% are from North Georgia. |
| ➤ 3% were Asian. | ➤ average family income of \$44,876. |
| ➤ 15% are from South Georgia. | ➤ 43% of HOPE students who earned 45 |
| ➤ 84% of HOPE students persisted in college over a one year period. | hours retained HOPE. |

The HOPE 1994-95 class has 3.7% more females than the overall university system population. The racial composition of the HOPE population mirrors that of the overall university system population. The percentage of HOPE students taking Learning Support as freshmen was 9.3% lower than the overage percentage for the 1994-95 freshman class. Additionally, the average SAT score for HOPE students was 40 points higher than the average for the entire 1994-95 freshman class.



Pat Willis,

Buford Arnole

Dorothy Cotton

Leena Johnson

Melvin Kruger

Linda Schrenke

Dean Swanson

Gary T. Henry.

AT A GLANCE: THE COUNCIL FOR SCHOOL PERFORMANCE

WHAT

Established by the Georgia General Assembly in 1993, the Council is charged with providing the public with easily understood annual reports on public school and school system effectiveness. It must also document how schools are spending funds generated by the Georgia Lottery.

The seven-member panel is attached to the Office of Budget and Planning for administrative purposes only, but has no ties to the Department of Education or any other state body.

WHY

The data will also provide information to schools that can be used to plot strategies to improve the quality of education they provide.

HOW

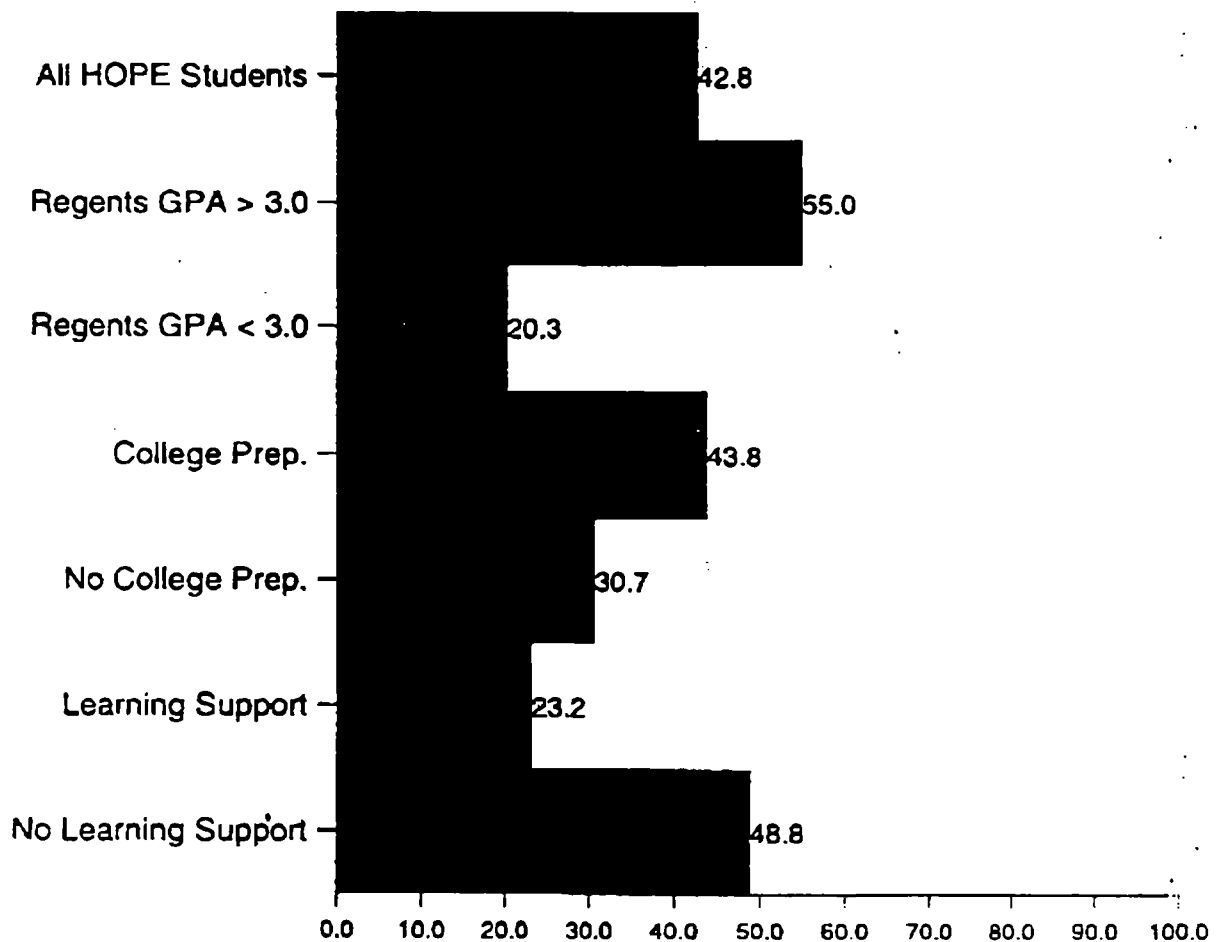
The Council measures school performance with indicators developed by community leaders, superintendents, school board members, principals, and teachers from around the state. Until now, SAT scores and standardized tests scores were the sole yardsticks of school performance.

School indicators gauge student performance, while community indicators reflect how well the community supports efforts to improve education locally.

WHEN

During the 1994-95 school year, the Council piloted the indicators at the school level to ensure that data can be collected without undue burden on local schools and school systems and to confirm the technical soundness of the indicators.

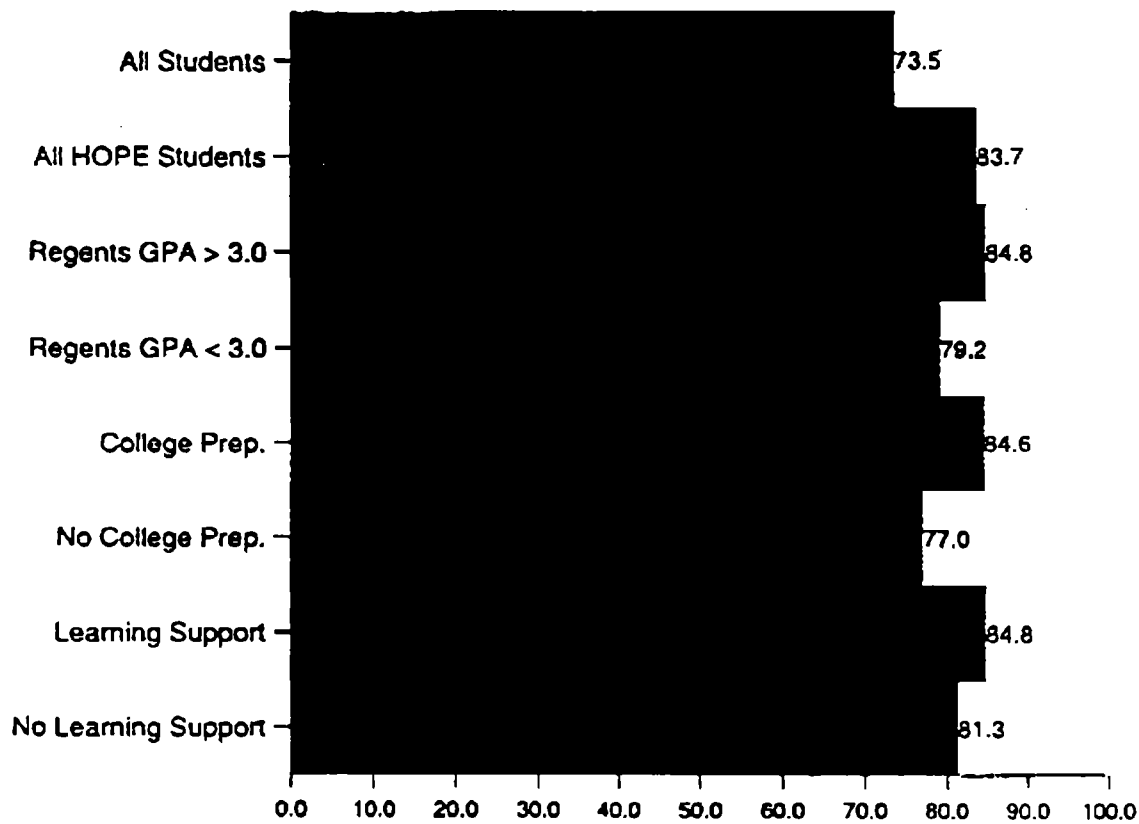
In December 1995, the Council will issue its first state report. In early 1996, the Council will release reports on the performance of specific school systems and schools. In subsequent years, state, school system and school reports will be released annually.

Figure 2: HOPE Retention Rate after 45 College Hours

HOPE Scholars are more likely to retain their HOPE scholarships if they,

- Have a Regents' GPA > 3.0
- Have not been required to take Learning Support

College Prep has a modest impact

Figure 1: Persistence in College - Fall 1994 to Fall 1995

HOPE Scholars are more likely to persist than other students. Persistence improves for students who,

- Have a Regents' GPA of > 3.0
- Have a College Prep Diploma
- Take a Learning Support course

HOPE Evaluation Executive Summary

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students who are not required to take Learning Support course work in College. These changes compare the entire 1994-95 HOPE class to those students in the class who did not need to take Learning Support course work. If HOPE had been limited to students who did not need Learning Support course work in 1994-95,

- ◆ 31% of students would not have qualified for HOPE.
- ◆ the overall persistence rate would have increased by only 1.1%.
- ◆ the percentage of students retaining HOPE eligibility would have increased by 7.1%.
- ◆ the HOPE profile would have had 2% fewer female and 7% fewer black students.

CONCLUSIONS

Because HOPE is a new program, it is only possible to examine the impact that HOPE has on persistence in college and retention of HOPE. As there is more data on HOPE, it will be possible to examine other areas such as HOPE's impact on the college graduation rate. Examining persistence and retention, however makes it possible to weigh various policy options and determine how the program might be made more effective.

The data show that requiring a College Prep diploma, requiring a Regents' 3.0 or higher GPA, or limiting HOPE to students not needing Learning Support course work--increases the rates of persistence in college only modestly. Raising the academic standards that high school students must attain in order to receive a HOPE scholarship by requiring students to have a 3.0 or higher GPA in their core academic subject areas would have a strong positive impact on the HOPE retention rate. This change also does not dramatically change the demographics of the HOPE program. Our findings show that approximately the same ratio of men, women, blacks, whites, and Asians would still receive HOPE.

One possible benefit of raising academic standards is that it will raise the academic expectations of college-bound high school students. If students are appropriately made aware of the increased standards required to receive a HOPE scholarship, more students may be motivated to get the preparation they need to be successful in college and to receive HOPE. However, the motivations of high school students cannot be evaluated in this study. Our findings showed that 44% of the 1994-95 class of HOPE scholars do not meet this standard. When the increase in HOPE eligibility standards is communicated to students, the percentage of students not eligible for HOPE under the increased standards may become smaller.

In 1994-95, almost 88% of HOPE students had a College Prep diploma and this percentage can only be expected to rise as students are required to receive a College Prep and/or Vocational diploma. Because so many students already have the College Prep diploma, requiring HOPE recipients to have a College Prep diploma would not result in appreciably higher rates of persistence or retention.

Exempting students who need Learning Support would have very mixed effects. Students who take Learning Support course work do not retain HOPE at the same rate as students who do not take Learning Support courses. However, taking Learning Support courses can help students persist in college. Female and black students especially benefit from Learning Support course work and, therefore, would be especially harmed if Learning Support students were exempt from HOPE.

This research was conducted by Dr. Marsha Davis, Dr. Gary Henry, and Mr. Thad Hall, Applied Research Center at Georgia State University. The authors wish to express their appreciation for the cooperation of the Board of Regents and the Georgia Student Finance Commission in supplying data for the study and to Mr. Matt Smith, who prepared the data sets for analysis.

HOPE Evaluation Executive Summary

- College prep improves the persistence rates of the following:
 - ◇ the average white student by 6%.
 - ◇ the average black student by 4%.
 - ◇ the average male student by 8%.
 - ◇ the average female student by 5%.
- The average student, regardless of race or gender, is 7% more likely to retain HOPE with a College Prep diploma.

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students who graduated from high school with a College Prep diploma. These changes compare the entire 1994-95 HOPE class to those students in the class who have a College Prep diploma. If HOPE had been limited to students who graduated from high school with a College Prep endorsement in 1994-95,

- ◇ 12% of the students would not have qualified for HOPE.
- ◇ 28% of students would have needed Learning Support compared to 30.5% now.
- ◇ persistence and HOPE retention rates would not have changed substantially.
- ◇ the percentage of females and blacks in the HOPE profile would not have changed.

These impacts are lower than might be expected because most students have the college prep diploma.

WHAT IS THE IMPACT OF LEARNING SUPPORT (DEVELOPMENTAL STUDIES)?

Like many other states, Georgia offers Learning Support course work, previously known as Developmental Studies course work, to college students who fail to meet specific university standards but are otherwise eligible for admission. Currently, HOPE pays for recipients to take Learning Support courses in college. Learning Support course work does not count toward a student's official college GPA or credit hours.

An examination of the data for the 1994-95 HOPE freshman class shows the impact of taking Learning Support course work in college on a student's performance in college. We have also examined the impact of taking Learning Support course work on the "average student," which is a student who graduated from high school with an average GPA and comes from a household with an average income.

- 31% of HOPE students took at least one Learning Support course.
- An average student's persistence rate is not affected by taking Learning Support courses. Taking Learning Support courses affects the persistence rates of groups of students differently by
 - ◇ improving the persistence of the average black student by 6%.
 - ◇ reducing the persistence of the average white student by 2%.
 - ◇ reducing the persistence of the average male student by 1%.
 - ◇ improving the persistence of the average female student by 1%.
- The average student is 13% less likely to keep HOPE if they are required to take Learning Support courses. The retention rates of students taking Learning Support are reduced by
 - ◇ 12% for the average male student.
 - ◇ 13 % for the average female student.
 - ◇ 9% for the average white student.
 - ◇ 8% for the average black student.

HOPE Evaluation Executive Summary

WHAT IS THE IMPACT OF RAISING ACADEMIC STANDARDS?

The HOPE program rewards students who perform at a high academic level in high school. One way to raise standards is to calculate the GPA of HOPE students using only academic courses. This method of raising standards was recommended by Governor Zell Miller in his Supplemental Budget Address on January 3, 1995. The Board of Regents currently calculates high school GPAs in this manner by including only academic courses. Local school systems currently include all courses taken by the student, including electives, in calculating the student's high school GPA. Using the Regents' calculated GPA provides a more rigorous standard by which to admit students to the HOPE program and would require students to strive for greater academic achievement in high school in order to receive HOPE.

An examination of the data for the 1994-95 HOPE freshman class shows the impact that having a 3.0 or higher Regents' GPA has on a student's performance in college.

- Students with a Regents' high school GPA of 3.0 or higher have a 6% higher persistence rate than students who have a Regents' GPA below 3.0.
- Only 20% of students who have a Regents' GPA *below* 3.0 retain HOPE.
55% of the students who have a Regents' GPA of 3.0 or higher retain HOPE.

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students with a Regents' 3.0 or higher GPA. These changes compare the entire 1994-95 HOPE class to those students in the class who have a Regents' 3.0 or higher GPA. If HOPE had been limited to students who had a Regents' 3.0 or higher high school GPA in 1994-95,

- ◇ 44% of students would have not qualified for HOPE.
- ◇ college persistence rates would have increased by 1%.
- ◇ the percentage of students retaining HOPE would have increased by 12%.
- ◇ 22% of students would have needed to take Learning Support course work compared to 30% now.
- ◇ The HOPE profile would have had 7% more females and 3% fewer black students.

WHAT IS THE IMPACT OF HAVING A COLLEGE PREP DIPLOMA?

Georgia has a College Preparatory Curriculum that was developed jointly by the Board of Regents and the State Board of Education. High school students who graduate having taken the appropriate course work receive a College Prep endorsement on their high school diploma. Currently, HOPE recipients are not required to have a College Prep endorsement to receive the public college scholarship.

An examination of the data for the 1994-95 HOPE freshman class shows the impact of graduating from high school with a College Prep diploma on a student's performance in college. We have also examined the impact of College Prep on the "average student," which is a student who graduated from high school with an average GPA and comes from a household with an average income.

- 88% of HOPE students graduated from high school with a College Prep diploma.
- The average student has a 6% higher persistence rate with a College Prep diploma.

**PHOTOCOPY
PRESERVATION**

Georgia Eligibility



HOPE SCHOLARSHIP PROGRAM

HOPE -- **Helping Outstanding Pupils Educationally** -- is Georgia's unique program, created by Governor Zell Miller, that rewards students' hard work with financial assistance in degree, diploma, or certificate programs at any eligible Georgia public, or private college, university, or public technical institute. Additionally, other HOPE assistance is available for students who received a GED after July 1, 1993. HOPE is funded by Georgia's Lottery for Education.

- The HOPE Express. The HOPE Express is our periodic newsletter we publish for the financial aid community containing the latest HOPE issues.
- HOPE regulations. The HOPE regulations will help you determine eligibility requirements for each HOPE program.
- Hope Information Sheet. The application procedures are different for each HOPE program.
- Hope Schools List & Homepages.



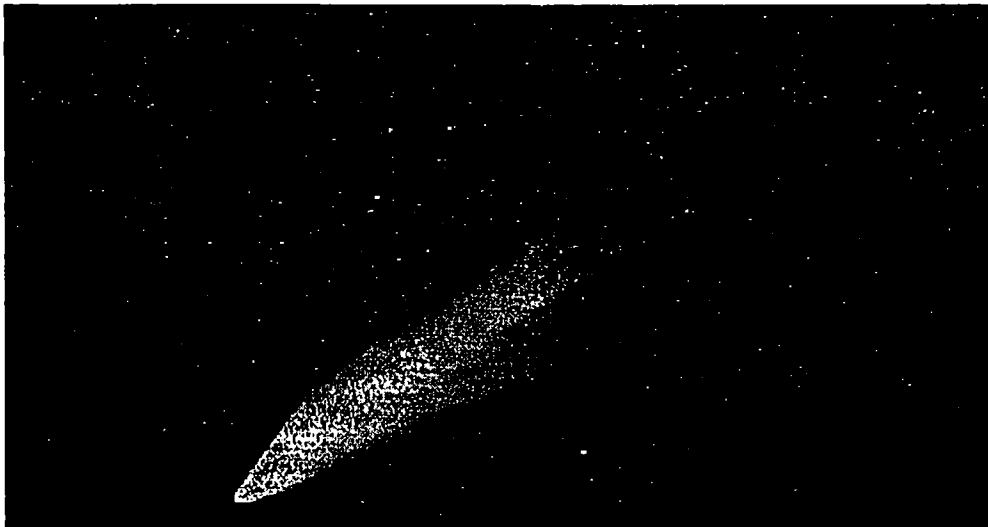
Send a mail message to the Scholarship Division. We welcome comments and questions.

Email address 'hope@mail.gsfc.state.ga.us'.



Parents and students may call the Georgia Student Finance Commission, the State agency that administers the HOPE program, for more information about HOPE. In Metro Atlanta, call (770)414-3085. Or call toll-free, within the State of Georgia, 1-800-546-HOPE. Final determination for HOPE eligibility is made at your institution's financial aid office.

HOPE Scholarship Information Sheet



The Most Far Reaching Scholarship in the Universe.

HIGH SCHOOL ACADEMIC REQUIREMENTS

To be eligible for a HOPE Scholarship, as a freshman seeking a degree at a public institution, students must be 1993 or later high school graduates.

To be eligible a student must graduate with a minimum,

- ☐ 3.0 cumulative grade average on a 4.0 scale or an 80 numeric average and obtain a diploma with a college preparatory seal*.

OR

- ☐ 3.2 cumulative grade average on a 4.0 scale or an 85 numeric average in other curriculum tracks.

*** Students must meet and graduate from the required college preparatory curriculum in order to qualify under the college prep track. If a student doesn't meet the required courses, he/she must meet the requirement for the other curriculum track.**

Each school has the option of submitting their high school eligibility list on a numeric scale or the 4.0 scale, or utilize both lists to identify as many students as possible. We encourage the schools to submit the list that will qualify the most students.

Students seeking degrees at eligible private colleges in Georgia or a diploma/certificate at a public institution do not have to meet the above academic requirements to receive a grant.

RESIDENCY

A student attending a Georgia University System institution or a Georgia public technical institution that meets the legal resident of Georgia requirements, at the time of high school graduation, for purposes of in-state tuition under the Board of Regents or Department of Technical and Adult Education policy will be considered a legal resident of Georgia for purpose of the HOPE program. There is an additional requirement for degree seeking students who have received out-of-state tuition waivers. These students must have graduated from a Georgia high school. For example, the dependent children of military personnel stationed in Georgia would be eligible.

Students attending Georgia private colleges must be a legal resident of Georgia for a minimum of twelve consecutive months immediately preceding registration for the school term for which assistance is being sought.

Student must be a U.S. citizen or a Permanent Resident Alien.

POSTSECONDARY OPTIONS

Students cannot receive the HOPE scholarship when they are participating in Postsecondary Options at a public institution for a degree. The student must have graduated from high school before HOPE funds can be awarded to seek a degree at a public institution.

Students seeking a diploma or certificate at a public institution who are participating in Postsecondary Options are eligible for the HOPE book allowance.

EARLY ADMISSION

A high school student meeting all eligibility requirements including full-time attendance who is admitted and enrolled as a regular student in an eligible private postsecondary institution on an early admission basis, is eligible to receive payment.

REMEDIAL COURSES

A student who is required to participate in remedial study, whether credit or non-credit, who meets all other requirements, is eligible to receive HOPE payment for remedial study.

The hours of remedial study shall count towards the 190 hours limit for degree seeking students at public institutions.

FULL-TIME ENROLLMENT FOR DEGREE, DIPLOMA, OR CERTIFICATE SEEKING STUDENTS

There is no minimum number of hours of enrollment required for eligibility. Full-time enrollment is not a requirement for public institutions.

For degree seeking students attending Georgia private colleges and universities, full-time enrollment (12 hours) is required to receive payment.

TRANSFER STUDENTS

Students transferring from one HOPE eligible public institution to another are eligible for HOPE if they continue to meet all eligibility requirements.

Students transferring into a HOPE eligible public institution from an institution not eligible to participate in the HOPE program or from a HOPE eligible private college are not eligible to receive HOPE until completing the equivalent of one full-time quarter (12 hours) at the eligible public institution. The only exception is students who have attempted at least 90 hours and have a cumulative 3.0 before they transfer into an eligible public institution. These students do not have to complete one full-time quarter at a public institution before they are eligible. Each student is limited to one transfer into a HOPE eligible public institution from an institution not eligible for HOPE.

LENGTH OF SCHOLARSHIP ELIGIBILITY FOR DEGREE SEEKING STUDENTS ATTENDING PUBLIC INSTITUTIONS

The student may receive scholarship awards through the quarter that he or she has attempted at least 45 hours, during which the student was eligible for a HOPE scholarship; and

If the student maintains a 3.0 grade average after the quarter that he or she attempted 45 credit hours, the student may receive HOPE scholarship awards for 46 through 90 hours attempted.

If the student maintains a 3.0 grade average after the quarter that he or she attempted 90 hours, the student may receive the HOPE scholarship for 91 through 135 hours attempted. (Students who did not qualify for HOPE upon high school graduation or non-traditional students can enter the program if they have a 3.0 at 90 hours.)

If the student maintains a 3.0 grade average after the quarter that he or she attempted 135 hours, the student may receive the HOPE scholarship for 136 through 190 hours attempted.

A student may receive the HOPE scholarship for a total of 190 quarter credit hours attempted. The 190 hours may include remedial or regular college credit courses attempted. One exception to the 190 hour cap is for students enrolled in specific undergraduate degree programs which are designed to be five year programs. These students are eligible for a total of 225 hours attempted, or the number of hours required for graduation, whichever is less, if they have a 3.0 average after the quarter they attempted 190 hours.

There is no time limitation as to when a student must use HOPE after high school. A student can begin their postsecondary career at any time in the future.

DIPLOMA AND CERTIFICATE SEEKING STUDENTS ATTENDING PUBLIC INSTITUTIONS

An eligible student may receive HOPE assistance for all course work required by the institution for a program of study leading to a certificate or diploma, including remedial studies.

Each HOPE recipient is eligible to receive assistance for two programs of study leading to a certificate or diploma. In addition, a student is limited to two programs of study changes.

DEGREE SEEKING STUDENTS ATTENDING GEORGIA ELIGIBLE PRIVATE COLLEGES AND UNIVERSITIES

An eligible student may receive HOPE assistance at a Georgia private college if he/she meets all eligibility requirements, as long as he or she is classified by the institution as a Freshman, Sophomore, Junior or Senior. Eligible students receive \$1,500 HOPE and \$1,000 Georgia Tuition Equalization Grant for a total of \$2,500 per academic year.

POSTSECONDARY ACADEMIC REQUIREMENTS

The HOPE scholarship at public institutions is a renewable academic scholarship for students seeking a degree. Therefore, a HOPE recipient is required to have a cumulative 3.0 grade point average (GPA) at three checkpoints.

The quarter that a student attempts 45, 90, and 135 hours, his/her cumulative GPA will be verified for continued eligibility.

If a student does not have a 3.0 at 45 hours he/she may regain the scholarship at 90 hours, if their cumulative average has returned to a 3.0.

To be eligible at a private college seeking a degree or at a public institution if seeking a diploma or certificate the student must maintain satisfactory academic progress in a course of study in accordance with standards and practices used for Federal Title IV programs by the postsecondary institution at which the student is enrolled.

ATTEMPTED HOURS

For degree seeking students at public institutions all attempted hours count towards a student's eligibility for HOPE. Attempted hours is defined as the number of hours a student is enrolled, regardless of whether or not the student earns the hours or completes his/her course(s). For example, if a student enrolls in 15 hours and withdraws from one 3 credit hour class and receives a "W", although the student then carries 12 credit hours, the total hours attempted of 15 would count towards the student's HOPE eligibility. Course work exempted by examination is not considered as attempted hours.

PELL MONEY OFFSETTING HOPE

The formula for computing a HOPE award at a public institution is tuition and fees less any federal aid (Pell, Supplemental Educational Opportunity Grant, or Job Training Partnership Act).

The student is entitled to a book allowance regardless of whether federal aid covers the student's costs.

PRIVATE COLLEGES/UNIVERSITIES

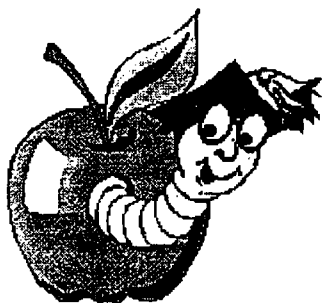
Federal aid does not affect the HOPE award at a Georgia private college.

HOW TO APPLY

At public institutions each year the student must complete the Free Application for Federal Student Aid (FAFSA).

The application deadline is established by the institution where the student is planning to attend.

At private colleges/universities the student must complete the Georgia Student Grant Application to apply for the Georgia Tuition Equalization Grant and the HOPE scholarship. This form is available from eligible private colleges in Georgia.



HOPE REGULATIONS

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FOREWORD

With the approach of the third full year of the HOPE Scholarship Program, I believe we need to take a moment to reflect on what the program has accomplished during its almost two years in existence. The first year of HOPE (Academic Year 1993-94), over 43,000 students received financial aid assistance totalling over \$20,625,000. This current academic year, with the Spring quarter just beginning, over 80,000 students have already benefitted from HOPE with financial awards totalling almost \$52,000,000.

All of this could not have been accomplished without the commitment of you and your colleagues. Special recognition should be given to the financial aid administrators and their staff members who were responsible for awarding all these students. As was the case last year, our commitment is to distribute the HOPE program guidelines as quickly as possible in order that you and your staff will be able to review them prior to the start of the next academic year.

The following is a brief summary of the new components and programs which will be administered under the HOPE umbrella. **In an effort to benefit as many students as possible, all of the new elements and rules will take effect for Summer term of 1995, regardless of when the term begins.**

1. Removal of the Income Limitation for Public College Scholarships -

Cost - \$4,000,000

Additional Number of Students Assisted - 1,700 - 2,000

BACKGROUND - The last census indicates that five percent of Georgia's families are earning in excess of \$100,000, the current income-cap for the HOPE Scholarship Program. By removing the income-cap, students will be rewarded for their academic achievements without regard to arbitrary income level.

Because of the elimination of the income-cap, students who were academically eligible for HOPE, except their family income exceeded the \$100,000 limitation, will now be eligible as long as their grade-point average is 3.0 or higher at the appropriate check-point. Students entering the program with 90 to 190 hours attempted, must have had a cumulative 3.0 at the end of the term they attempted 90 hours, and at 135 attempted hours, if applicable.

2. Provide One - Second Chance Opportunity for Students to Re-enter HOPE -

Cost - \$1,560,000

Number of Students Assisted - 750 - 1,000

 **BACKGROUND** - When a student receives a HOPE Scholarship to seek a degree at a public institution, the scholarship covers a full 45 attempted hours of study, which is the equivalent of completing the entire freshman year. Historically, many students who graduated from high school with an A or B average, failed to maintain those averages after their freshman year in college. This is due to a more demanding academic load as well as the transition to college life. Thus far, more than 28% of the students who graduated from high school in 1993 and started under HOPE last year have not maintained the B average and cannot continue under HOPE. If past experience holds true, more students, upon reaching their 45 attempted hours, will not maintain a B average. For this reason, if a student falls below a cumulative 3.0 grade average at 45 attempted hours, the student, at his or her own expense, may continue their sophomore year (45 attempted hours), and, if that student obtains a cumulative 3.0 grade average at the end of their sophomore year, the student would be given a second chance to receive HOPE for their junior year and an opportunity to renew for their senior year. This measure does not compromise the current HOPE standards, but does give students every possible opportunity to work hard and regain HOPE eligibility.

3. Provide Students the Opportunity to Obtain HOPE after Entering Public Institution to Seek a Degree -

Cost - \$2,460,000

Additional Number of Students Assisted - 1,200 - 1,300

 **BACKGROUND** - This will assist those individuals who graduated from high school prior to the establishment of the HOPE program in 1993, and will also assist those high school graduates who are not HOPE scholars immediately upon high school graduation. Students, such as the above, will be eligible for a HOPE scholarship after their sophomore year (90 attempted hours), if the student obtains a cumulative 3.0 grade average. This measure will be an incentive for individuals returning to school and who are committed to that effort.

4. Increase the HOPE Tuition Equalization Grants by \$500 to Private Colleges -

Cost - \$10,400,000

Number of Students Assisted - 20,800

BACKGROUND - At the current time, a full-time private college student receives \$1,000 per academic school year under the long standing state funded Tuition Equalization Grant Program. Additionally, the student also receives \$1,000 from the two-year old Lottery funded HOPE grant program. This proposal will increase the Lottery funded HOPE grant from \$1,000 per academic school year to \$1,500 per academic school year.

Thus, a full-time Georgia resident attending one of our accredited, eligible private colleges will receive \$2,500 in tuition assistance per year. This program provides our students with the option of attending a Georgia private college and is a cost-effective measure when consideration is given to the total state funds that follow students if they elect to attend a public college.

5. Creation of a HOPE Teacher Scholarship Program -

Cost - \$10,000,000

Number of Teachers Projected to Benefit - 1,000

BACKGROUND - This program will assist teachers, counselors, and individuals who are seeking an advanced degree in a critical field of study. The purpose of this program is to attract more teachers and improve the quality of instruction in teaching fields that currently have many positions unfilled. Financial assistance of up to \$10,000 will be awarded towards the cost of attendance.

The critical fields of study include the following program areas:

- Middle Grades Education (4-8) with primary concentration in:

- Math
- Science
- Math and Science

- Mathematics Education (Grades 7-12)

- Science Education (Grades 7-12)

- Foreign Language Education (Grades P-12)

- Education of Exceptional Children (Grades P-12)

- Speech Language Pathology (Grades P-12)

- School Counseling (Grades P-12)

The program will operate as a forgivable loan which will be repaid by teaching in a Georgia public school. The full program details are included in the HOPE Teacher Scholarship Program Rules and Regulations.

6. Creation of a Promise Scholarship Program -

Cost - \$3,000,000

Number of Students Projected to Benefit - 1,000

BACKGROUND - This program will provide forgivable loans of \$3,000 per year to high achieving students who commit to teach in our public schools. The student must have a 3.6 or higher grade average after the sophomore year in college and must be enrolled in the first quarter or semester of their junior year. This will enable the student to cover education related expenses over the last two years in a teacher education program. In most cases, these students will probably also be receiving a HOPE scholarship which already covers tuition. This forgivable loan of \$3,000 could be used for any educational expenses such as room and board. This will attract some of our best and brightest students into the teaching fields and commit them to four year of teaching in our public schools. The full program details are included in the PROMISE Teacher Scholarship Program Rules and Regulations.

In addition to the above new components, you will find a brief description of regulatory improvements and their corresponding page(s) in the HOPE Scholarship Program Regulations. I trust these new legislative and regulatory changes are responsive to the comments we received during the last year throughout Georgia. Although we will all struggle in the coming months to implement these changes, the bottom line is that even more students will benefit because of these improvements.

Thank you for your cooperation and understanding. As always, please do not hesitate to contact our office whenever we may be of service.

With best wishes, I am

Mike Vollmer

Director

STUDENT ELIGIBILITY REQUIREMENTS FOR DEGREE SEEKING STUDENTS ATTENDING PUBLIC INSTITUTIONS

To be eligible to receive a Hope scholarship, to cover tuition, mandatory fees, and provide for a book allowance, the student must meet the following eligibility requirements:

UNIVERSITY RESIDENCY

A student attending a Georgia University System institution and who is seeking a HOPE Scholarship as a Freshman (1st tier), meets the residency requirements for purposes of HOPE eligibility if he or she would have met the requirements to be classified as a legal resident of Georgia for in-state tuition, under Board of Regents policy, at the time of his or her high school graduation and at the time of enrollment at a Georgia University System institution. These students may have graduated from an out-of-state high school. For example, the dependent child of military personnel who are legal residents of Georgia stationed out-side of Georgia.

A student attending a Georgia University System institution who is seeking a HOPE Scholarship as a Freshman (1st tier), meets the residency requirements for purposes of HOPE eligibility if he or she receives an out-of-state tuition waiver from the Georgia University System institution he or she is attending and the student graduated from a Georgia high school. For example, the dependent child of military personnel stationed in Georgia would be eligible.

A student attending a Georgia University System institution who is seeking a HOPE Scholarship as a Sophomore (2nd tier) meets the residency requirements for purposes of HOPE eligibility if he or she was determined to have met the residency requirements for purposes of HOPE eligibility while he or she was receiving HOPE as a Freshman (1st tier).

A student attending a Georgia University System institution who is seeking a HOPE Scholarship as a Junior (3rd tier) or Senior (4th tier) meets the residency requirements for purposes of HOPE eligibility if he or she met the requirements to be classified as a legal resident of Georgia for in-state tuition, under Board of Regents policy, at the time he or she first enrolled at a Georgia University System institution or graduated from high school in Georgia.

Once a student attending a Georgia University System institution has been correctly determined to meet the residency requirements for purposes of HOPE and begins receiving HOPE, he or she will continue to meet the residency requirements, even if his or her parents/legal guardians move from the State of Georgia or stop being legal residents of Georgia. (If the institution requires the student to begin paying out-of-state tuition, HOPE will still only cover the in-state tuition and fees charges.)

DEPARTMENT OF TECHNICAL AND ADULT EDUCATION RESIDENCY

A student attending a Georgia Department of Technical and Adult Education (DTAE) institution who is seeking a HOPE Scholarship as a Freshman (1st tier), meets the residency requirements for purposes of HOPE eligibility if he or she would have met the requirements to be classified as a legal resident of Georgia for in-state tuition, under DTAE policy, at the time of his or her high school graduation and at the time of enrollment at a Georgia DTAE institution. These students may have graduated from an out-of-state high school. For example, the dependent child of military personnel who are legal residents of Georgia stationed out-side of Georgia.

A student attending a Georgia DTAE institution who is seeking a HOPE Scholarship as a Freshman (1st tier), meets the residency requirements for purposes of HOPE eligibility if he or she receives an out-of-state tuition waiver from the DTAE institution he or she is attending and the student graduated from a Georgia high school. For example, the dependent child of military personnel stationed in Georgia would be eligible.

A student attending a Georgia DTAE institution who is seeking a HOPE Scholarship (2nd tier) meets the residency requirements for purposes of HOPE eligibility if he or she was determined to have met the residency requirements for purposes of HOPE eligibility while he or she was receiving HOPE as a Freshman (1st tier).

A student attending a Georgia DTAE institution who is seeking a HOPE Scholarship as a 3rd OR 4th tier student meets the residency requirements for purposes of HOPE eligibility if he or she met the requirements to be classified as a legal resident of Georgia for in-state tuition, under DTAE policy, at the time he or she first enrolled at a DTAE institution or graduated from high school in Georgia.

Once a student attending a DTAE institution has been correctly determined to meet the residency requirements for purposes of HOPE and begins receiving HOPE, he or she will continue to meet the residency requirements, even if his or her parents/legal guardians move from the State of Georgia or stop being legal residents of Georgia. (If the institution requires the student to begin paying out-of-state tuition, HOPE will still only cover the in-state tuition and fees charges.)

CITIZENSHIP

Be a U.S. citizen or a Permanent Resident Alien who meets the definition of an eligible non-citizen under Federal Title IV

requirements.

ENROLLMENT

There is no minimum number of hours of enrollment required for eligibility. Full-time enrollment is not a requirement.

Be attending a branch of the University System of Georgia or a branch or affiliated branch of DTAE.

Must be admitted, enrolled, and classified as an undergraduate student in a matriculated status. One exception to the undergraduate status is detailed in the section entitled Length of Scholarship Eligibility.

TUITION, FEES, AND FEDERAL GRANTS

Apply for the Federal Pell Grant program each award year by completing and submitting the appropriate need analysis form. Pell eligibility is not a requirement.

When determining the HOPE award amount, the Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), or Job Training Partnership Act (JTPA) assistance would be applied to the student's tuition and mandatory fee charges first, before applying the HOPE scholarship.

The HOPE scholarship covers tuition and mandatory fees, rounded up to the nearest whole dollar, not covered by Pell, FSEOG, or JTPA. HOPE Scholarship funds awarded for tuition and fees can only be applied to tuition and fees, not other expenses such as room and board.

BOOK ALLOWANCE

Students who meet all of the eligibility requirements for a HOPE scholarship to seek a degree at a Georgia public institution are also eligible for a book allowance.

Students are eligible for the book allowance regardless of their eligibility for the Federal Pell Grant, Federal Supplemental Educational Opportunity Grants (FSEOG), JTPA, or any other financial aid.

The institution will allow a book allowance payment of \$100 per quarter if the student is at least half-time (six or more hours). Students enrolled for less than half-time will receive \$50 per quarter. The book allowance may be used to purchase books and/or supplies required for the course of study.

ADJUSTED GROSS INCOME

The 1994-95 AGI cap of \$100,000 has been lifted. Beginning with the summer term of 1995, there is no AGI requirement.

FRESHMAN (1ST TIER) ELIGIBILITY

To be eligible for the HOPE Scholarship for the freshman year (1st tier) a student must be a member of the 1993 high school graduating class or any graduating class thereafter.

To be eligible for the 1st tier a student must also have graduated from high school with a minimum of a 3.0 cumulative grade average on a 4.0 scale or an 80 numeric average in the college preparatory curriculum and met the curriculum's requirements, or a 3.2 average or an 85 numeric average in other curriculum tracks.

SOPHOMORE (2ND TIER) ELIGIBILITY

Must have graduated from high school as a HOPE Scholar.

If the student has attempted 45 and not more than 90 credit hours, to be eligible for a HOPE scholarship, he or she must have a cumulative grade average of at least 3.0 at the end of the school term in which the 45 hours was attempted.

JUNIOR (3RD TIER) ELIGIBILITY

The student must have attempted at least 90 credit hours but not more than 135 hours. The student must also have a cumulative grade average of at least 3.0 at the end of the term he or she attempted at least 90 hours. Eligibility as a Freshman (1st tier) or Sophomore (2nd tier) is not a factor.

Students who transfer from a HOPE eligible Georgia private college or university into a Georgia public institution who have attempted at least 90 quarter credit hours or the semester equivalent at the private college, and have at least a 3.0 grade average at the end of the term that they attempted at least 90 hours are eligible, just as students who have been attending a Georgia public institution.

Students who transfer from an out-of-state or non-eligible HOPE institution into a Georgia public institution that have a 3.0 at the end of the term that they have attempted at least 90 hours, are eligible to begin receiving payment as a Junior (3rd tier).

SENIOR (4TH TIER) ELIGIBILITY

A student must have been a recipient for his or her junior year (3rd tier) to be eligible for the senior year (4th tier). The student must also have cumulative grade average of at least 3.0 at the end of the term he or she attempted at least 135 hours.

SATISFACTORY ACADEMIC PROGRESS

Maintain satisfactory academic progress in a course of study in accordance with the standards and practices used for Federal Title IV programs by the postsecondary institution at which the student is enrolled. To determine student eligibility, the institution must apply the same satisfactory academic progress policy as used for Federal Title IV programs.

SELECTIVE SERVICE REGISTRATION

A Selective Service Registration statement appears on the Student Aid Report (SAR) that allows the student to state either that he or she has registered or to explain why he or she is not required to register. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18, are citizens or eligible non citizens, and are not currently on active duty in the armed forces.

DEFAULT AND REFUND

Not be in default on a Federal Title IV or Authority educational loan, nor owe a refund on a Federal Title IV or Authority student financial aid program. If the student has repaid the defaulted loan or refund in full, he/she will be eligible to obtain a HOPE scholarship.

DRUG-FREE ACT

A student is ineligible if, in accordance with the Drug-Free Postsecondary Education Act of 1990, he/she has been convicted for committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs. A student is ineligible to receive a HOPE scholarship from the date of conviction to the completion of the next academic term. The institutions are not required to obtain criminal justice records of HOPE applicants.

INCARCERATED STUDENTS

Students who are seeking a degree at a Georgia public institution are not eligible to receive HOPE payments while they are incarcerated, even if they meet all other eligibility requirements. Upon release they may begin receiving payments if they continue their enrollment and continue to meet all other eligibility requirements. The credit hours attempted while incarcerated will count towards their length of eligibility limitations.

POSTSECONDARY CUMULATIVE GRADE AVERAGE

The cumulative grade average will be determined as follows:

Each Registrar calculates a cumulative grade average to enforce the institution's Academic Policy, to identify Dean's List students, to award academic honors at graduation (Summa Cum Laude, Magna Cum Laude, Cum Laude), etc. This same grade point average should be used to renew HOPE Scholarships; or

For students attending DTAE institutions or transferring from non-University System of Georgia institutions, the grade average will be derived by the receiving institution in accordance with the receiving institution's policy.

TRANSFER STUDENTS

Students transferring from one HOPE eligible public institution to another are eligible for HOPE if they continue to meet all eligibility requirements.

Students transferring into a HOPE eligible public institution, with less than 90 hours attempted, from an institution not eligible to participate in the HOPE program or from a HOPE eligible private college are not eligible to receive HOPE until completing the equivalent of one full-time quarter (12 hours) at the eligible public institution. Each student is limited to one transfer into a HOPE eligible public institution from an institution not eligible for HOPE.

Students who have completed at least 90 hours with a 3.0 do not have to complete one full-time quarter at a public institution before they are eligible.

LENGTH OF SCHOLARSHIP ELIGIBILITY

The student may receive scholarship awards through the quarter that he/she has attempted at least 45 quarter credit hours, during which the student was eligible for a HOPE scholarship; and

If the student maintains a 3.0 grade average after the quarter that he or she attempted 45 credit hours, the student may receive

HOPE scholarship awards for 46 through 90 hours attempted.

If the student maintains a 3.0 grade average after the quarter that he or she attempted 90 hours, the student may receive the HOPE scholarship for 91 through 135 hours attempted.

If the student maintains a 3.0 grade average after the quarter that he or she attempted 135 hours, the student may receive the HOPE scholarship for 136 through 190 hours attempted.

A student may receive the HOPE scholarship for a total of 190 quarter credit hours attempted. The 190 hours may include remedial or regular college credit courses attempted. If a student enters the term with less than 190 hours attempted and enrolls for more than 190 hours, he or she is eligible for payment for the full number of hours enrolled for that term. One exception to the 190 hour cap is for students enrolled in specific undergraduate degree programs which are designed to be more than 190 hours in length. These students are eligible for a total of 225 hours attempted, or the numbers of hours required for graduation, whichever is less, if they have a 3.0 average after the quarter they attempted 190 hours. Regardless of the number of hours attempted, once the student has earned a Bachelor's Degree, he or she is ineligible for HOPE to seek a degree at a public institution.

Students who meet all other requirements for Senior (4th tier) eligibility, except that they are classified as Professional level rather than undergraduate students are eligible if they have been accepted into the Professional level program of study prior to receiving a Bachelor's Degree. Such students are still held to the 190 hour cap.

TRANSIENT STUDENTS

Transient students may receive payment upon the discretion of the home institution. Both the home institution and the visited or transient institution must be eligible institutions participating in the HOPE program. The home and visited institutions must have a written agreement which prohibits payment at the visited institution and provides the home institution with the information necessary to obtain payment from the Authority. The student's tuition must be owed to or paid through the home institution, which must be a HOPE eligible institution.

STUDY ABROAD AND OUT OF STATE PROGRAMS

Students enrolled in a matriculating status at an eligible institution in Georgia qualify for payment, even though they may not be physically present in Georgia during all or part of the school term for which assistance is being sought. The student's institution must approve for credit the study-abroad/out-of-state program. The student's tuition must be owed to or paid through the home institution. HOPE only covers the normal tuition and fees of the home institution.

HOURS LIMITATION

If the student is otherwise eligible to participate in the HOPE Program, but is not paid because his/her tuition and fees are already covered by Pell, FSEOG, JTPA, the quarter credit hours attempted that term also apply to the hours limitation. Regardless of the amount of payment the student receives for a term or the number of credit hours he/she paid for, the total number of credit hours attempted for that term will be applied to his/her quarter credit hours total.

Quarter credit hours for duplicate courses attempted will count toward the credit hour limit.

Any credit hours attempted or earned before high school graduation, hours exempted by examination and Advanced Placement credit hours do not count against the credit hour limits. If the institution is not readily able to identify Advanced Placement credits, then the institution may rely on the student to advise the institution of his/her Advanced Placement credit, subject to verification.

REMEDIAL STUDY

A student who is required to participate in remedial study, whether credit or non-credit, who is seeking a degree is eligible to receive an award for remedial study. The hours of remedial study funded by HOPE shall count towards the 190 hour limit.

CONTINUING EDUCATION

A student enrolled in continuing education courses is ineligible for payment.

APPLICATION AND AWARD PROCESS FOR DEGREE SEEKING STUDENTS ATTENDING PUBLIC POSTSECONDARY INSTITUTIONS

HIGH SCHOOL ELIGIBILITY LIST

All Georgia high schools are requested annually to submit a list of eligible seniors to the HOPE Scholarship Program. The list calls for the name, social security number, address, grade average, and curriculum track. The preliminary list includes the grade averages as of the end of the Fall quarter or semester and will be used to issue HOPE certificates of recognition for pending high school graduates. The preliminary list should be submitted to the HOPE program by the last day of February. The final list with the final grade average at graduation should be received by June 30.

APPLICATION

All applicants must apply for a Federal Pell Grant by completing a Free Application for Federal Student Aid (FAFSA).

INSTITUTIONAL FINANCIAL AID APPLICATION

Some institutions may also require that students complete the institution's application for financial aid. Students will be advised to check with the institution they plan to attend for the appropriate form.

FAFSA DATA

The Authority will receive FAFSA data directly from the Central Processor for all residents of Georgia who apply for a Federal Pell Grant. This data will be added to the Authority data base.

The Authority will match the high school listing data with the FAFSA data to create student records.

PRELIMINARY LIST TO INSTITUTIONS

The public postsecondary institutions will receive from the Authority a preliminary list of high school graduates and their grade averages as of the end of Fall term. The institutions may use this information to estimate HOPE scholarships when packaging financial aid. The institution must identify the HOPE scholarship on student financial aid award letters.

FINAL LIST TO INSTITUTIONS

The Authority will forward the data from the final high school list to the public postsecondary institutions in order to notify the postsecondary institutions of changes of eligibility from the preliminary list to the final list. Students who were eligible according to the preliminary list, but not eligible according to the final list, because of changes in their grade average and or curriculum track, are ineligible to receive payment. Their HOPE scholarships must be cancelled.

Procedures for HOPE Scholarships to eligible students who have not completed a FAFSA are as follows:

ELIGIBILITY DETERMINATION AND AWARD

The institution will assist the student in completing a FAFSA, screen the form for completeness, make a copy of the relevant information, and assist the student in mailing the form to the central processor.

The institution will make a determination of HOPE eligibility based on its information at the time.

The institution will immediately award a HOPE scholarship to eligible students.

AWARD RECONCILIATION

Upon receipt of the SAR, the institution will calculate the Pell award amount, if any, and will reconcile with the Authority according to the Authority's procedures.

If the student is ineligible for Pell, no reported correction is necessary nor any reimbursement to the institution's HOPE account.

INELIGIBLE STUDENT PROCEDURE

If later evidence indicated that the student should not have received the HOPE scholarship, it is not awarded for the next quarter. The institution will be held harmless in a State of Georgia audit for a payment to an ineligible student according to these procedures, if the student's file is documented. The institution must notify the student and the Authority of a refund due. The student will be ineligible for aid from the Authority until the student pays the refund.

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PROCEDURES FOR AUTHORIZING AND DRAWING FUNDS

AUTHORIZATION OF FUNDS

The institution will receive notice of authorization of funds for each school term from the Authority.

DRAW DOWN AND DISBURSEMENT

The institution may draw upon the amount of its authorization each term, no sooner than 13 days prior to the first day of classes for that term.

REPORT TO AUTHORITY

Within 45 days of the first day for that term the institution must submit to the Authority a report of the students who were paid that term, the dollar amount paid, and credit hours.

If necessary the Authority will adjust each institution's authorization to match the amount actually paid and allow an additional draw-down. The institution may submit supplemental payment reports to the Authority for a term and the Authority will adjust the authorization to match the additional amount needed. The institution can then draw-down the needed amount.

SUMMER TERM DRAW DOWN

The award year begins with summer term. The earliest the institution can draw-down funds is July 1. Reconciliation with the Authority must take place within 45 days of the first day of class.

Legislative enhancements to the HOPE program become effective beginning with the summer term immediately following the Legislative Session which enacted the enhancements.

RECONCILIATION

After the completion of the award year, the Authority will send a reconciliation report to each institution that provides payment records for the award year.

The institution must conduct a reconciliation and report to the Authority within 15 days of the completion of the award year.

The Authority will provide the institution with a letter to confirm that reconciliation is complete and final for the award year.

REFUND POLICY

If a student officially withdraws, drops out, drops hours, or is expelled and is entitled to a refund in accordance with the school's refund policy, such refund may need to be returned to the HOPE fund.

Refund procedures for a student attending a Georgia public postsecondary institution are as follows:

SCHOOL'S REFUND POLICY

A school's refund to the student is the amount paid by financial aid and/or cash payments for institutional charges for a school term, minus the amount retained by the institution for the portion of the school term that the student was actually enrolled. The amount retained by the institution for the student's actual period of enrollment is determined after calculating all applicable refund amounts (state law, accrediting agency standards, statutory pro rata, and/or other standards approved by U.S. Department of Education), and utilizing the largest refund.

TITLE IV FUNDS REFUND

If a refund is due a student according to the school's refund policy, and the student received any Title IV funds, part of the refund must be returned to the Title IV programs. The following distribution formula is used to determine what amount of the refund must be returned to Title IV programs.

$$\begin{array}{rcl} \text{School refund} & \times & \text{Total Title IV Funds} \\ \text{to Student} & & \text{-----} \\ & & \text{Total Aid} \end{array} = \begin{array}{l} \text{Amount to be refunded} \\ \text{to Title IV programs} \end{array}$$

HOPE REFUND

Once the amount to be returned to Title IV programs is calculated, the school can determine the amount to be refunded to HOPE by subtracting the Title IV refund from the total refund.

The following is an example:

The student's tuition charges were \$500. He was awarded a \$200 Federal Pell Grant, \$100 FSEOG, and \$200 HOPE scholarship. He then totally withdrew from school. According to the school's refund policy he should receive a refund of \$400.

$$\begin{array}{rcl} \$400 \text{ (Refund)} & \times & \$300 \text{ (Title IV)} \\ & & \text{-----} \\ & & \$500 \text{ (total Awards)} \end{array} = \$240 \text{ (Title IV Refund)}$$

The \$400 total refund minus the \$240 Title IV refund equals \$160 HOPE refund. The school therefore retains \$40 of the original \$200 HOPE scholarship.

STUDENT ELIGIBILITY REQUIREMENTS FOR DIPLOMA/CERTIFICATE SEEKING STUDENTS ATTENDING PUBLIC INSTITUTIONS

To be eligible to receive a HOPE grant to cover tuition, mandatory fees, and provide for a book allowance, a diploma/certificate seeking student attending a public institution in Georgia must meet the following eligibility requirements:

RESIDENCY

A student attending a Georgia public technical institution, and who is classified as a legal resident of Georgia, for purposes of in-state tuition under the rules of the Georgia Department of Technical and Adult Education (DTAE), will be considered a legal resident of Georgia for purposes of the HOPE program. If out-of-state tuition is waived by the institution, according to DTAE policy, and the student (and his or her parents if he or she is a dependent student) physically lives in the State of Georgia, then the student meets the residency requirements of the HOPE program.

A student attending a Georgia University System institution and who is classified as a legal resident of Georgia for purposes of in-state tuition under the Board of Regents policy will be considered a legal resident of Georgia for purposes of the HOPE program. If out-of-state tuition is waived by the institution, according to Board of Regents policy, and the student (and his or her parents if he or she is a dependent student) physically lives in the State of Georgia, then the student meets the residency requirements of the HOPE program.

Once a student attending a Georgia University System or DTAE institution has been correctly determined to meet the residency requirements for purposes of HOPE and begins receiving HOPE, he or she will continue to meet the residency requirements, even if his or her parents/legal guardians move from the State of Georgia or stop being legal residents of Georgia. (If the institution requires the student to begin paying out-of-state tuition, HOPE will still only cover the in-state tuition and fees charges.)

CITIZENSHIP

Be a U.S. citizen or a Permanent Resident Alien who meets the definition of an eligible non-citizen under Federal Title IV requirements.

ENROLLMENT

There is no minimum number of hours of enrollment required for eligibility. Full-time enrollment is not a requirement.

Be attending a branch or affiliated branch of the Georgia Department of Technical and Adult Education or a branch of the University System of Georgia.

Must be admitted, enrolled, and classified as an undergraduate student in a matriculated status (leading to a certificate or diploma.).

TUITION, FEES, AND FEDERAL GRANTS

Apply for the Federal Pell Grant program each award year by completing and submitting the appropriate need analysis form. Pell eligibility is not a requirement.

When determining the HOPE award amount, the Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), or Job Training Partnership ACT (JTPA) assistance would be applied to the student's tuition and mandatory fee charges first, before applying the HOPE grant.

The HOPE grant covers tuition and mandatory fees, rounded up to the nearest whole dollar, not covered by PELL, FSEOG, or JTPA. HOPE Scholarship funds awarded for tuition and fees can only be applied to tuition and fees, not other expenditures such as room and board.

BOOK ALLOWANCE

Students who meet all of the eligibility requirements for a HOPE grant to seek a diploma or certificate at a Georgia public institution are also eligible for a book allowance

Students are eligible for the book allowance regardless of their eligibility for the Federal Pell Grant, Federal Supplemental Educational Opportunity Grants (FSEOG), JTPA, or any other financial aid.

The institution will allow a book allowance payment of \$100 per quarter if the student is at least half-time (six or more hours). Students enrolled for less than half-time will receive \$50 per quarter. The book allowance may be used to purchase

books and/or supplies required for the course of study.

SATISFACTORY ACADEMIC PROGRESS

Maintain satisfactory academic progress in a course of study in accordance with the standards and practices used for Federal Title IV programs by the postsecondary institution at which the student is enrolled. To determine student eligibility, the institution must apply the same satisfactory academic progress policy as used for Federal Title IV programs.

SELECTIVE SERVICE REGISTRATION

A selective Service Registration statement appears on the Student Aid Report (SAR) that allows the student to state either that he or she has registered or to explain why he or she is not required to register. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18, are citizens or eligible non citizens, and are not currently on active duty in the armed forces.

DEFAULT AND REFUND

Not be in default on a Federal Title IV or Authority educational loan, nor owe a refund on a Federal Title IV or Authority student financial aid program. If the student has repaid the defaulted loan or refund in full, he/she will be eligible to obtain a HOPE scholarship.

DRUG-FREE ACT

A student is ineligible if, in accordance with the Drug-Free Postsecondary Education Act of 1990, he/she has been convicted for committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs. A student is ineligible to receive a HOPE scholarship from the date of conviction to the completion of the next academic term. The institutions are not required to obtain criminal justice records of HOPE applicants.

INCARCERATED STUDENTS

Students who are seeking a degree at a Georgia public institution are not eligible to receive HOPE payments while they are incarcerated, even if they meet all other eligibility requirements. Upon release they may begin receiving payments if they continue their enrollment and continue to meet all other eligibility requirements. The credit hours attempted while incarcerated will count towards their length of eligibility limitations.

TRANSFER STUDENTS

Students transferring from one HOPE eligible public institution to another are eligible for HOPE if they continue to meet all eligibility requirements for diploma/certificate seeking students.

LENGTH OF GRANT ELIGIBILITY

An eligible student may receive a HOPE assistance for all course work required by the institution for a program of study leading to a certificate or diploma, including remedial studies.

Each HOPE recipient is eligible to receive assistance for two programs of study leading to a certificate or diploma. In addition, he or she is limited to two program of study changes.

A student enrolled in continuing education courses is ineligible for payment.

TRANSIENT STUDENTS

Transient students may receive payment upon the discretion of the home institution. Both the home institution and the visited or transient institution must be eligible institutions participating in the HOPE program. The home and visited institutions must have a written agreement which prohibits payment at the visited institution and provides the home institution with the information necessary to obtain payment from the Authority. The student's tuition must be owed to or paid through the home institution, which must be a HOPE eligible institution.

JOINT ENROLLMENT

A high school student meeting all eligibility requirements who is permitted to enroll in an eligible public postsecondary education institution, seeking a diploma or certificate, on a joint enrollment basis with a secondary educational institution or on an early admission basis, is eligible to receive a HOPE grant, if his/her tuition and mandatory fees are not paid in full by the Postsecondary Options Program. This student, however, would be eligible to receive the book allowance, regardless of funds received from the Postsecondary Options Program.

REMEDIAL STUDY

A student who is required to participate in remedial study, who is seeking a diploma or certificate, is eligible to receive grant

payment for remedial study.

APPLICATION AND AWARD PROCESS FOR DIPLOMA/CERTIFICATE STUDENTS ATTENDING PUBLIC POSTSECONDARY INSTITUTIONS

APPLICATION

Unless a student fits one of the exceptions described in this paragraph, all applicants must apply for a Federal Pell Grant by completing the Free Application for Federal Student Aid. The institution has the option of having students complete the Alternate Application for HOPE, rather than the FAFSA, if they already have a Bachelor's Degree and are therefore automatically ineligible for Pell, or they are enrolled in a technical certificate for credit program that is ineligible for Pell.

INSTITUTIONAL FINANCIAL AID APPLICATION

Some institutions may also require that students complete the institution's application for financial aid. Students will be advised to check with the institution they plan to attend for the appropriate form.

Procedures for HOPE Grants to eligible students who have not completed a FAFSA are as follows:

ELIGIBILITY DETERMINATION AND AWARD

The institution will assist the student in completing a FAFSA, screen the form for completeness, make a copy of the relevant information, and assist the student in mailing the form to the central processor.

The institution will make a determination of HOPE eligibility based on its information at the time.

The institution will immediately award a HOPE grant to eligible students.

The institution must identify the HOPE grant on the student financial aid award letter.

AWARD RECONCILIATION

Upon receipt of the SAR, the institution will calculate the Pell award amount, if any, and will reconcile with the Authority according to the Authority's procedures.

If the student is ineligible for Pell, no reported correction is necessary nor any reimbursement to the institution's HOPE account.

INELIGIBLE STUDENT PROCEDURE

If later evidence indicated that the student should not have received the HOPE grant, it is not awarded for the next quarter. The institution will be held harmless in a State of Georgia audit for a payment to an ineligible student according to these procedures, if the student's file is documented. The institution must notify the student and the Authority of a refund due. The student will be ineligible for aid from the Authority until the student pays the refund.

STUDENT ELIGIBILITY REQUIREMENTS FOR GEORGIA PRIVATE COLLEGES AND UNIVERSITIES

To be eligible to receive a HOPE grant, a student seeking a degree at a Georgia private college or university must be attending a non-profit independent college or university in Georgia that is participating in the Georgia Tuition Equalization Grant program. Such students are eligible as long as they are classified by the institution as a freshman, sophomore, junior, or senior and they meet the following requirements.

GTEG ELIGIBILITY

Be eligible to receive a Georgia Tuition Equalization Grant and meet all of the GTEG eligibility requirements as specified in the "Regulations for Administering the Georgia Grant Program." Incarcerated students are not eligible for the HOPE grant at private colleges and universities.

FULL-TIME ENROLLMENT

Be enrolled full-time (12 hours) in order to be paid for the school term.

NEED ANALYSIS

A student does not need to complete and submit a need analysis form or apply for and be eligible for a Pell Grant, FSEOG, or any other totally Federally funded grant or scholarship in order to receive a HOPE grant.

A student is eligible regardless of his or her year of high school graduation, or high school grade average.

JOINT ENROLLMENT

A high school student meeting all eligibility requirements including full-time attendance who is admitted and enrolled as a regular student in an eligible private postsecondary educational institution on a joint enrollment basis with a secondary educational institution or on an early admission basis, is eligible to receive payment.

TRANSFER STUDENTS

Students transferring from one HOPE eligible private college to another are eligible for HOPE if they meet all other requirements. Refer to Section I.A. "Transfer Students" for rules regarding transfer to public institutions.

PROCEDURES FOR AUTHORIZING AND DRAWING FUNDS

AUTHORIZATION OF FUNDS

The institution will receive notice of authorization of funds for each school term from the Authority.

DRAW DOWN AND DISBURSEMENT

The institution may draw upon the amount of its authorization each term, no sooner than 13 days prior to the first day of classes for that term.

REPORT TO AUTHORITY

Within 45 days of the first day for that term the institution must submit to the Authority a report of the students who were paid that term, the dollar amount paid.

If necessary the Authority will adjust each institution's authorization to match the amount actually paid and allow additional draw-down. The institution may submit supplemental payment reports to the Authority for a term and the Authority will adjust the authorization to match the additional amount needed. The institution can then draw-down the needed amount.

SUMMER TERM DRAW DOWN

The award year begins with summer term. Then the earliest the institution can draw-down funds is July 1. Reconciliation with the Authority must take place within 45 days of the first day of class.

Legislative enhancements to the HOPE program become effective beginning with the summer term immediately following the Legislative Session which enacted the enhancements.

RECONCILIATION

After the completion of the award year, the Authority will send a reconciliation report to each institution that provides payment records for the award year.

The institution must conduct a reconciliation and report to the Authority within 15 days of the completion of the award year.

The Authority will provide the institution with a letter to confirm that reconciliation is complete and final for the award year.

APPLICATION AND AWARD PROCESS FOR STUDENTS ATTENDING PRIVATE COLLEGES AND UNIVERSITIES

GTEG APPLICATION

Each student must complete a Georgia Tuition Assistance Grant Application and thereby apply for the Georgia Tuition Equalization Grant program. The student will submit the application to an eligible private Georgia college or university.

The institution will complete its portion of the application and forward the original to the Authority and retain a carbon copy. The Authority will enter the application information into its database.

Each term the institution will identify eligible students and request payment from the Authority. The institution must identify the HOPE grant on the student financial aid award on the student financial aid award notices, separate from the GTEG award.

DISBURSEMENT OF AWARD

The Authority will disburse appropriate funds. The maximum award amount is \$1,500 per academic year, in addition to the regular GTEG award amount. The award is disbursed as \$500 per quarter or \$750 per semester, including Summer. The GTEG award plus the HOPE award is equal to the institution's tuition or the maximum award for each program combined, whichever is less. If a reduction is necessary the HOPE award is reduced before the GTEG.

This process is repeated each term.

The award year for private colleges begins with summer term and ends with spring term. Legislative enhancements to the HOPE program become effective beginning with the summer term immediately following the Legislative Session which enacted the enhancements.

REFUND POLICY

If a student officially withdraws, drops out, drops hours, or is expelled and is entitled to a refund in accordance with the school's refund policy, such refund may need to be returned to the HOPE fund. The institution should refer to the GTEG refund policy in the "Regulations For Administering The Georgia Grant Programs". Partial refunds must be applied proportionately to the HOPE and GTEG funds.

STUDENT ELIGIBILITY REQUIREMENTS FOR GED RECIPIENTS

To be eligible to receive a HOPE grant of \$500 a GED recipient must meet the following requirements:

GED RECIPIENT AFTER JUNE 30, 1993

Be a recipient of the General Education Development certificate awarded by the Georgia Department of Technical and Adult Education after June 30, 1993.

INCARCERATED STUDENTS

Incarcerated students are eligible to earn a HOPE/GED voucher during incarceration, but are not eligible to receive payment while they are incarcerated. Upon their release they can be issued a new voucher for the full 24 month eligibility period.

ENROLLMENT

Attend a branch of the University System of Georgia, a branch or affiliated branch of the Georgia Department of Technical and Adult Education, or a non-profit independent college or university located in Georgia, as defined in these regulations.

Be admitted, enrolled, and classified as an undergraduate student in matriculated status towards a degree, diploma, or certificate. Full-time enrollment is not required.

RESIDENCY

A student attending a Georgia public technical institution, and who is classified as a legal resident of Georgia, for purposes of in-state tuition under the rules of the Georgia Department of Technical and Adult Education (DTAE), will be considered a legal resident of Georgia for purposes of the HOPE program. If out-of-state tuition is waived by the institution, according to DTAE policy, and the student (and his or her parents if he or she is a dependent student) physically lives in the State of Georgia, then the student meets the residency requirements of the HOPE program.

A student attending a Georgia University System institution and who is classified as legal resident of Georgia for purposes of in-state tuition under the Board of Regents policy will be considered a legal resident of Georgia for purposes of the HOPE program. If out-of-state tuition is waived by the institution, according to Board of Regents policy, and the student (and his or her parents if he or she is a dependent student) physically lives in the State of Georgia, then the student meets the residency requirements of the HOPE program.

A student attending a HOPE eligible Georgia private college who is classified as a legal resident of Georgia for purposes of the Georgia Tuition Equalization Grant will be considered a legal resident of Georgia for purpose of the HOPE program.

CITIZENSHIP

Be a U.S. citizen or a Permanent Resident Alien who meets the definition of an eligible non-citizen under Federal Title IV requirements.

SATISFACTORY ACADEMIC PROGRESS

Maintain satisfactory academic progress in a course of study in accordance with the standards and practices used for Federal Title IV programs by the postsecondary institution at which the student is enrolled. To determine student eligibility, the institution must apply the same satisfactory academic progress policy as used for Federal Title IV programs.

SELECTIVE SERVICE REGISTRATION

A Selective Service Registration statement appears on the Student Aid Report (SAR) that allows the student to state either that he or she has registered or to explain why he or she is not required to register. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18, are citizens or eligible non citizens, and are not currently on active duty in the armed forces.

DEFAULT AND REFUND

Not be in default on a Federal Title IV or Authority educational loan, nor owe a refund on a Federal Title IV or Authority student financial aid program. If the student has repaid the defaulted loan or refund in full, he/she will be eligible to receive payment for his/her GED voucher.

DRUG-FREE ACT

A student is ineligible if, in accordance with the Drug-Free Postsecondary Education Act of 1990, he/she has been convicted

for committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs. A student is ineligible to receive a HOPE scholarship from the date of conviction to the completion of the next academic term.

REMEDIAL STUDY

A student required to participate in remedial study who is seeking a degree, diploma, or certificate is eligible to receive payment.

HOPE PAYMENT

Once a student receives HOPE Scholarship payment to seek a degree at a public institution, he or she can not receive HOPE/GED payment, in future school terms. Students seeking a degree at a private institution are only eligible to receive HOPE/GED payment during his or her first academic year of enrollment. The student may receive both HOPE grant payment at a private institution and HOPE/GED payment during that first academic year. Students are eligible to receive HOPE/GED payment and a HOPE grant while seeking a diploma or certificate at a public institution, during the same term..

APPLICATION AND AWARD PROCESS FOR GED RECIPIENTS

GED VOUCHER

All persons receiving a GED from the Georgia Department of Technical and Adult Education after June 30, 1993, and thereafter will receive a HOPE GED voucher.

GED VOUCHER PAYMENT

The voucher may be submitted to an eligible postsecondary institution in Georgia at the time of the student's enrollment. In return, the student's account will be credited for \$500 to cover any costs of attendance, as defined in these regulations. The voucher expires after 24 months from the date it was issued. The expiration date is extended by an additional 28 months for a total of 52 months for those who serve on active duty in the military during this time. Extensions are also provided for reason of incarceration.

Assistance for GED recipients may be carried forward from the first school term. If the student's cost of attendance budget cannot absorb \$500 for the student's first term, the institution should only draw down the amount needed. The remainder of the \$500 will be reserved for the student's future use.

The institution must identify the HOPE award on the student financial aid award letter.

Receiving GED voucher payment does not prevent the student from receiving a HOPE grant for seeking a diploma or certificate at a public institution or a degree at a private college. Degree seeking students at public institutions may receive a HOPE Scholarship after attempting 90 hours, if they meet all other requirements, even if they were previously paid for a GED voucher.

VOUCHER NON-TRANSFERABLE

The recipient of the voucher will be clearly identified on the voucher by name and Social Security Number. The voucher can only be used by that person and is not transferable.

PAYMENT PROCESS FOR PRIVATE COLLEGES AND UNIVERSITIES

The private colleges and universities have three options for receiving GED voucher payment from the Authority, they are:

- If the institution has LION (electronic data exchange software) it may draw-down the necessary funds through LION and then use LION to report the student payment.
- If the institution has PRIDE (electronic file transmission software) it may draw-down necessary funds by mailing or faxing a request to the Authority, then use PRIDE to report the student payment.
- The institutions may photocopy the GED voucher and mail or fax it to the Authority with a cover letter which requests payment. The Authority will process the voucher and funds will be issued.

PROCEDURES FOR AUTHORIZING AND DRAWING FUNDS FOR PUBLIC INSTITUTIONS

AUTHORIZATION OF FUNDS

The institution will receive notice of authorization of HOPE funds for each school term from the Authority, including funds needed for GED vouchers.

DRAW DOWN AND DISBURSEMENT

The institution may draw upon the amount of its authorization each term, no sooner than 13 days prior to the first day of classes for that term.

REPORT TO AUTHORITY

Within 45 days of the first day of class the institution must submit to the Authority a report of the students who were paid that term, the dollar amount paid.

If necessary the Authority will adjust each institution's authorization to match the amount actually paid. The institution may draw down additional funds, up to the authorized amount, as necessary during the term.

SUMMER TERM DRAW DOWN

The award year begins with summer term. The earliest the institution can draw-down funds is July 1. Reconciliation with the Authority must take place within 45 days of the first day of class.

Legislative enhancements to the HOPE program become effective beginning with the summer term immediately following the Legislative Session which enacted the enhancements.

YEAR-END RECONCILIATION REPORT

After the completion of the award year, the Authority will send a reconciliation report to each institution that provides payment records for the award year.

The institution must conduct a reconciliation and report to the Authority within 15 days of the completion of the award year.

The Authority will provide the institution with a letter to confirm that reconciliation is complete and final for the award year.

APPEALS PROCESS

If a student wishes to appeal a determination of eligibility made by an institution or the Georgia Student Finance Commission, then he or she should follow the following HOPE appeals process.

FILING APPEALS

In order for an appeal to be considered the student must submit a written notice of intent to file an appeal within 30 days of receiving a notice of denial. The student then has an additional 30 days to provide all of the documentation regarding the appeal. If additional information is requested from the student it must be provided within the time frame specified by the institution or appeals committee. Normally the appeals committee decides cases based on written documentation. In special cases the committee may hear appeals in person, but only the student may appear before the committee.

POSTSECONDARY CUMULATIVE GRADE AVERAGE

Student's who fail to meet the Postsecondary Cumulative Grade Average renewal requirements may have their HOPE Scholarship renewed because of special conditions. These special conditions may include a serious and extended illness or injury of the student which adversely affected the student's grades. Such illness or injury must be verified by a physician including details regarding the duration and extent of the student's disability. Information must also be provided from the student's Academic Dean which corroborates the medical documentation and describes any opportunities that were available to the student to receive an Incomplete and to make-up or retake classwork. It is the student's responsibility to see that all necessary documentation be provided.

Other special conditions may also be considered. The death or serious and extended illness or injury of an immediate family member could in some cases justify an exception to the 3.0 GPA renewal requirement. Again, such cases must be medically documented and corroborated by the student's instructors. Natural disasters and other traumatic events may also warrant exceptions, if sufficiently documented.

If an exception is granted to a student who does not have the required 3.0 grade average, he or she may receive HOPE payment for 15 credit hours. After completing 15 credit hours the student's cumulative grade average must be at least a 3.0 in order to continue receiving HOPE.

HIGH SCHOOL GRADE AVERAGE AND CURRICULUM TRACK

These regulations state that to be eligible to seek a degree at a public institution as a Freshman (1st tier) a student must graduate from high school with a 3.0 cumulative grade average on a 4.0 scale or an 80 numeric average, meeting the college preparatory curriculum, or a 3.2 grade point average or an 85 numeric average, meeting the vocational or general curriculum track.

These items are not appealable. The grade average and curriculum track are determined by the high school at graduation. It would be inappropriate for a postsecondary institution, or the Georgia Student Finance Commission or a committee thereof, to interfere with the high school's determination.

EARLY ADMISSION

These regulations state that in order for a student to be eligible to receive a HOPE Scholarship at a public institution to seek a degree, he or she must have graduated from high school with a B average. Students who are accepted into an eligible institution on Early Admission or prior to high school graduation, with no intent to eventually graduate from high school are generally not eligible for a HOPE Scholarship. Exceptions may be granted on a case-by-case basis if sufficient documentation is provided that convinces the committee that the student has achieved the academic equivalent of graduating from high school with a B average. Such documentation should include his or her high school transcripts, SAT or ACT scores, letters of recommendation from high school officials and officials of the postsecondary institution that accepted the student.

MISCELLANEOUS APPEALS

Other miscellaneous types of appeals may be considered on a case by case basis.

HOPE APPEALS COMMITTEE

The HOPE Appeals Committee is comprised of three citizens who are on the Georgia Student Finance Commission's Board of Directors, two institutional Financial Aid Directors, a representative of the Board of Regents, a representative of the Georgia Department of Technical and Adult Education and a representative of the Association of Private Colleges in Georgia. The committee's decision is final.

DEFINITIONS

"Academic Year" means a period of time, usually eight or nine months, during which a full-time student would normally be expected to complete the equivalent of two semesters, three quarters, or 900 clock hours of instruction.

"Accrediting Agency" means an association or agency recognized and approved by the Authority to function as an evaluator of the quality of educational institutions and programs as described in these regulations.

"Authorization" means a maximum amount of funds which a particular institution may draw-down from the Authority for a school term.

"Authority" means Georgia Student Finance Authority.

"Award Year" means four consecutive quarters or three consecutive semesters which begins with the Summer term and ends with the Spring term.

"Book Allowance" means HOPE funds provided to students to purchase books and/or supplies required for their course of study.

"Board" means Board of Directors of the Georgia Student Finance Authority.

"Clock Hour" means a period of time which is the equivalent of either (1) a 50 to 60 minute class, lecture, or recitation, (2) two hours of laboratory, shop training, or internship requiring outside preparation, (3) two hours of outside preparation related to (1) and (2); or (4) three hours of laboratory, shop training, or internship not requiring outside preparation.

"Cost of Attendance" means the expenses, both direct and indirect, incurred by a student and the student's family to finance the cost of receiving a postsecondary education. These expenses include tuition, fees, room, meals, books, supplies, transportation, and personal expenses.

"Cost of Tuition" means the charges to a student for instruction without regard to other fees such as lab, activity, athletic, medical, etc.

"Degree" means a two-year associate degree or four-year bachelor's degree conferred on students by a postsecondary educational institution upon completion of a unified program of study at the undergraduate level.

"Diploma/Certificate" means a credential indicating satisfactory completion of training in a program of study offered by a postsecondary educational institution, which is not an associate or baccalaureate degree.

"Disbursed" or "Made Available" means the student's account was credited or a check was predated and available for the student to pick up from the institution.

"Eligible High School" means any private or public secondary educational institution that is authorized to grant high school diplomas and is fully accredited by a nationally or regionally recognized accrediting agency.

"Eligible Postsecondary Institution" means any branch of the University System of Georgia, any branch or affiliated branch of the Georgia Department of Technical and Adult Education, any non-profit independent college or university located in Georgia and which is accredited by the Southern Association of Colleges and Schools, or any proprietary institution of higher education located in the State of Georgia which is a baccalaureate degree granting institution; which is accredited by a regional accrediting agency recognized by the U.S. Department of Education; which is not a Bible College; which admits as regular students only persons who have a high school diploma, GED, or degree from an accredited postsecondary institution; whose students are eligible to participate in the Federal Pell Grant program; which has been reviewed and approved for operation and for receipt of tuition equalization grant funds by the Georgia Nonpublic Postsecondary Education Commission; and which has been in existence for at least ten years. All eligible institutions must also be approved by the U.S. Department of Education to participate in Title IV programs and be actively participating in at least the Federal Pell Grant program. Additionally, for private colleges and universities, eligible institutions for HOPE must also be eligible for Tuition Equalization Grants.

"Federal Pell Grant" means a Federal program of non-repayable grant aid which is designed to be the base award for eligible students with Federally determined financial need.

"FSEOG" means the Federal Supplemental Educational Opportunity Grant, a Federal program that provides grants to exceptionally needy undergraduate students to help pay for their postsecondary education.

"Full-Time Student" means a matriculated student attending an eligible postsecondary educational institution and enrolled for the equivalent of at least 12 quarter or semester credit hours, or a minimum of 25 clock hours per week.

"GED" means General Education Development certificate awarded by the Georgia Department of Technical and Adult Education.

"GTEG" means the Georgia Tuition Equalization Grant, which is a state of Georgia program that provides grants to residents of Georgia who are full-time undergraduate students attending an eligible non-profit private college or university in Georgia.

"High School Cumulative Grade Average" means a graduating high school senior's cumulative grade average on a 4.0 or a numeric scale as reported by the high school. A 4.0 grading scale is determined as a scale on which an unweighted "A" equals 4.0. Classes may be weighted or unweighted depending on the policy of the high school.

"High School Curriculum Track" means the course of study, i.e., college preparatory, from which the student plans to graduate or has graduated from in high school.

"Home Institution" means the institution in which the student is normally enrolled and is in a matriculating status working towards a degree or diploma/certificate. The home institution must be Georgia HOPE eligible institution.

"HOPE Scholar" means a legal resident of Georgia or Georgia high school graduate who was a member of the 1993 high school graduating class or any graduating class thereafter that graduated with a minimum of a 3.0 cumulative grade average on a 4.0 scale or an 80 numeric average in the college preparatory curriculum and met the requirements of that curriculum, or a 3.2 average or an 85 numeric average in other curriculum tracks.

"Legal Resident of Georgia" means a United States Citizen or eligible Permanent Resident Alien who is domiciled in the State of Georgia and meets residency requirements of the governing body of the institutions attended, as specified in Sections I.A., II.A., and IV.A. of these regulations.

"Mandatory Fees" means any fee charged by the institution to every student enrolled at that institution, regardless of their program of study.

"Matriculated Status" means the student is a recognized candidate for an appropriate degree, diploma, or certificate at an eligible postsecondary educational institution.

"Military Personnel" means an active member of the Armed Forces of the United States, including members of the Army, Navy, Air Force, Marine Corps and Coast Guard.

"Parent" means the natural mother or father or stepparent, adoptive parents, and/or legal guardian whom a court has directed to provide financial support to the student.

"Permanent Resident Alien" means an alien student who meets the definition of a permanent resident alien or eligible non-citizen under Federal Title IV requirements.

"Postsecondary Cumulative Grade Average" means the calculation of those grades to establish eligibility for the second year of the HOPE scholarship.

"Quarter Credit Hours Attempted" means the number of hours for which a degree-seeking or diploma/certificate student attending a public postsecondary institution is enrolled, regardless of whether or not the student earns the hours or completes his/her course(s). The number of quarter credit hours attempted are used to monitor the length of the student's eligibility for HOPE scholarships. Quarter credit hours attempted as part of a diploma or certificate program are only counted in a degree program if those hours are accepted for the degree.

"Regulations for Administering The Georgia Grant Programs" means regulations officially governing the following programs: Georgia Tuition Equalization Grant, Student Incentive Grant, North Georgia College ROTC Grants, and the Law Enforcement Personnel Dependents Grant.

"School Term" means a typical school semester or quarter.

"Transient Student" means a visiting student enrolled in another institution who is granted temporary admission for the purpose of completing work to transfer back to the home institution; one who expects to return to the institution in which he or she was previously enrolled.

"Undergraduate Student" means a student who is in attendance at an eligible postsecondary educational institution and who is in the process of obtaining either a diploma/certificate, an associate degree or a bachelor's degree.

"Visited or Transient Institution" means the institution the student is temporarily attending as a transient student.

— HOPE —
1996-97 Academic Year



With
HOPE,
The Cost
Of Higher
Education
In Georgia
Is Getting
A Lot
Lower.

HOPE Can Help You Get the Education You Want.

HOPE — *Helping Outstanding Pupils Educationally* — is Georgia's unique scholarship program that rewards students' hard work with financial assistance in degree, diploma, or certificate programs at any eligible Georgia public or private college, university, or technical institute. Since the program's establishment, nearly 200,000 Georgians have benefitted from this program funded by the Georgia Lottery for Education.

You can benefit from HOPE in several ways. If you wish to enroll in a degree program at a Georgia public college or university, you may be eligible for financial assistance covering tuition, mandatory fees, and a book allowance. The HOPE Scholarship Program also provides an opportunity for students already in public college or those who wish to return to public college.

If you wish to enroll in a Georgia private college, you may be eligible for a \$3,000 annual scholarship for tuition and mandatory fees. You may also receive financial assistance for non-degree programs at any Georgia public technical institute. Other HOPE assistance is available for GED recipients.

This brochure will provide more details about the HOPE program to help you get started. For information about the HOPE Teacher Scholarship Program or the PROMISE Teacher Scholarship Program for teachers and individuals who want to teach in Georgia public schools, please contact the HOPE Scholarship Program.

Here's How HOPE Can Help You.

1. HOPE for Students Attending a Georgia Public College or University.

If you wish to enroll in a degree program as an entering freshman at a Georgia public college or university, you must have the following qualifications:

- Be a Georgia resident.
- Be a 1993 or later high school graduate.
- Earn a 'B' average (a 3.0 cumulative grade average on a 4.0 scale, or 80 numeric grade average, meeting the college preparatory track; if you are in any other curriculum track, you must have a 3.2 cumulative grade average on a 4.0 scale, or 85 numeric grade average).

Students who graduate from high school in the year 2000 and thereafter will be required to earn a 'B' average in their core-curriculum subjects. Students must also graduate meeting the curriculum requirements in their program of study.

Students may receive first-year HOPE assistance for the first 45 credit hours attempted at any Georgia public college or university, which includes tuition, mandatory fees, and a book allowance up to \$100 per quarter. Full-time enrollment is not required.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

Students may renew the scholarship for their sophomore, junior, and senior years. To do so, you must:

- Maintain a 3.0 cumulative grade average.
- Reapply for the scholarship by completing the Free Application for Federal Student Aid (FAFSA) or, if applicable, the HOPE Alternate Application.
- Be making satisfactory academic progress.

Second-Chance Opportunity for Students to Re-enter HOPE:

HOPE is a reward for scholastic achievement and an incentive to continue working hard in school. If after attempting 45 hours in a public college you fall below a 3.0, you may continue your sophomore year at your own expense. If you then earn a cumulative 3.0 grade average at the completion of your sophomore year (90 attempted hours), you will be given a second chance to receive a HOPE scholarship for your junior year with the opportunity to renew the scholarship for your senior year (135 attempted hours).

HOPE for Students Already in Public College or Returning to Public College:

If you graduated from high school prior to the establishment of the HOPE program in 1993, or if you are not academically eligible for a HOPE scholarship immediately after high school graduation, you may be eligible for a HOPE scholarship after attempting 90 hours of study, if you obtain a cumulative 3.0 grade average for your first two years of study.

NOTE: Students attending a Georgia public college or university who are seeking a diploma or certificate rather than a degree should refer to Section 2 below.

2. HOPE for Students Attending a Georgia Public Technical Institute.

Georgia residents attending a Georgia public technical institute to earn a certificate or diploma are eligible for HOPE assistance regardless of high school graduation date or grade average. The HOPE Scholarship Program covers tuition, mandatory fees, and a book allowance up to \$100 per quarter.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

You may receive HOPE assistance for a total of two programs of study leading to a certificate or diploma. Full-time enrollment is not required, but the student must be making satisfactory academic progress to maintain eligibility.

NOTE: Students seeking degrees at a Georgia technical institute must follow the qualifications for students seeking degrees at Georgia's public colleges or universities. Refer to Section 1.

3. HOPE for Students Attending Private Colleges or Universities.

If you wish to enroll in a degree program as an entering freshman at a Georgia private college or university, you must have the following qualifications:

- Be a Georgia resident.
- Be a 1996 or later high school graduate.
- Earn a 'B' average (a 3.0 cumulative grade average on a 4.0 scale, or 80 numeric grade average, meeting the college preparatory track; if you are in any other curriculum track, you must have a 3.2 cumulative grade average on a 4.0 scale, or 85 numeric grade average).

Students who graduate from high school in the year 2000 and thereafter will be required to earn a 'B' average in their core-curriculum subjects. Students must also graduate meeting the curriculum requirements in their program of study.

Students may receive a HOPE scholarship in the amount of \$3,000 per academic school year for the first 30 semester hours attempted (45 quarter hours). Full-time enrollment is required. As a full-time student and a Georgia resident, you may also be eligible for an additional \$1,000 from the Georgia Tuition Equalization Grant.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

Students may renew the scholarship for their sophomore, junior, and senior years. To do so, you must:

- Maintain a 3.0 cumulative grade average.
- Reapply for the scholarship by completing the appropriate forms as designated by the financial aid office at the institution you attend.
- Be making satisfactory academic progress.

Second-Chance Opportunity for Students to Re-enter HOPE:

HOPE is a reward for scholastic achievement and an incentive to continue working hard in school. If after attempting 30 semester hours (*45 quarter hours*) in a private college you fall below a 3.0, you may continue your sophomore year at your own expense. If you then earn a cumulative 3.0 grade average at the completion of your sophomore year (*60 attempted semester hours or 90 quarter hours*), you will be given a second chance to receive a HOPE scholarship for your junior year with the opportunity to renew the scholarship for your senior year (*90 attempted semester hours or 135 quarter hours*). As a Georgia resident and full-time student (*12 hours*), you may continue to receive the Georgia Tuition Equalization Grant in the amount of \$1,000 per academic school year.

HOPE for Students Already Attending an Eligible Private College:

If you attended an eligible private college or university for at least one school term beginning summer 1995 through summer 1996 and received the HOPE grant in the amount of \$1,500 per academic year, you may be eligible to continue receiving this tuition assistance through spring 1999. If you do not meet this qualification, you may only be eligible for the Georgia Tuition Equalization Grant of \$1,000 per academic year. You must continue to be a full-time student (*12 hours*) making satisfactory academic progress.

For more information, see the 1996-97 HOPE brochure for private colleges.

4. HOPE for GED Recipients at Georgia Postsecondary Institutions.

Georgia residents who earned a General Education Development (*high school equivalency*) certificate awarded by the Georgia Department of Technical and Adult Education after June 30, 1993 may receive a one-time \$500 HOPE award. This can be used toward tuition, books, and other educational costs at an eligible public technical institute or public or private college or university in a degree, diploma, or certificate program.

Full-time enrollment is not required. Students must use their HOPE eligibility within 24 months of the date of the GED certificate. Military personnel have 52 months to exercise eligibility.

In addition to the \$500 award, GED recipients may also qualify for assistance through other components of HOPE.

How to Apply for HOPE

Just follow these steps:

- Students planning to attend a public technical institute, college, or university must complete the Free Application for Federal Student Aid (FAFSA) or, if applicable, the HOPE Alternate Application. The FAFSA is available from high school guidance offices, college financial aid offices, or technical institutes, and from the HOPE Scholarship Program. It is used to determine eligibility for Federal aid such as the Pell Grant.
- The FAFSA includes a section for the applicant to indicate which schools he or she is considering so that information can be sent to those schools. The student should then apply for admission at each school.
- Some colleges and technical institutes also require the student to complete the school's financial aid application. The financial aid office at the school will advise the student if this is necessary and of the deadline dates.
- 1996 high school graduates as entering freshmen attending eligible private colleges or universities must complete the Georgia Tuition Assistance Grant Application. You may also be required to complete the FAFSA or the HOPE Alternate Application. These forms are available at all eligible Georgia private colleges or universities.
- Renewal students attending an eligible private college or university must complete the Georgia Tuition Assistance Grant Application to continue receiving the HOPE grant and the Tuition Equalization Grant.

How to Get Additional Information.

You may call the HOPE Scholarship Program for more information.

Call toll-free 1-800-546-HOPE. In Metro Atlanta, call (770) 414-3085.

The financial aid office at the postsecondary school can provide information on tuition costs, residency determination, and coursework eligible for HOPE assistance. Contact them directly.

Terms You Need To Know

Certificate/Diploma:

A form of recognition awarded to a student after he or she satisfactorily completes a program of study offered by a postsecondary institution. A certificate may be earned in as little as six weeks, while a diploma may take as long as two years to complete. Earning a certificate or diploma can help when you apply for a job.

Core-curriculum Subjects:

High school classes in math, science, social studies, English, and foreign languages. Many classes that students take in high school are not core-curriculum subjects (*for example, physical education, art, band, home economics, and yearbook*).

Cumulative Grade Point Average:

The average of the grades you have earned for all the classes you have taken while in high school (*or college*). Many schools use a 4.0 grading scale in which an 'A' equals 4.0, a 'B' is a 3.0, and a 'C' is a 2.0. Beginning with the high school graduating class of 2000, only the grades earned in core-curriculum high school subjects will be counted in figuring your grade point average for HOPE eligibility.

Curriculum Track:

The course of study in which a student graduates from high school, usually college preparatory or vocational studies. Each curriculum track has certain requirements as to the number of units of math, science, English, etc., that a student must take.

Degree:

A form of recognition awarded to a student after satisfactorily completing a program of study offered by a postsecondary institution. An associate degree is awarded for a two-year program of undergraduate study; a bachelor's degree is awarded for a four-year program. Many jobs require a college degree.

Financial Aid:

Money awarded to a student as a grant, scholarship, or educational loan to help pay for the cost of attending a postsecondary institution.

Grant:

Financial aid that is awarded to a student based on certain eligibility requirements, such as financial need or enrollment at a particular institution. Unlike a loan, a grant doesn't have to be paid back. Grants may usually be renewed each year if the student meets certain standards.

Mandatory Fees:

The amount of money that schools charge students to cover costs not associated with their classes, such as costs for some athletic activities, student activities, and health fees.

Postsecondary Institution:

An institution of higher learning (*beyond high school*). This may be a public or private college, university, or technical institute offering degree programs, certificate programs, or diploma programs.

Scholarship:

Financial aid that is awarded to a student in recognition of special achievement (*high grades, athletics, performing arts, etc.*). Unlike a loan, a scholarship does not have to be repaid. Scholarships may usually be renewed each year if the student meets certain standards. The HOPE Scholarship may be renewed if a student maintains a 3.0 ('B') cumulative grade point average in college.

Tuition:

The amount of money schools charge students for instruction (*what you pay to take classes there*). Tuition rates vary from one institution to another.

- At a Georgia public college, university or technical institute, HOPE pays your tuition, mandatory fees, and a book allowance of up to \$100 per quarter. The HOPE Scholarship can only be applied toward tuition and mandatory fees not covered by Federal aid you may receive.

- At an eligible Georgia private college or university, a HOPE Scholarship will pay up to \$3,000 a year toward your tuition and mandatory fees. You may receive an additional \$1,000 from the Georgia Tuition Equalization Grant each year.

HOPE does not pay for everything. You may have other expenses such as additional costs for books, housing and meals, transportation, and personal expenses (*for example, clothing and medical treatment*). You and your parents will want to consider these costs when budgeting for your education.

How Do You Get HOPE?

It's very important that you have good grades to be eligible for a HOPE Scholarship.

To earn a HOPE Scholarship, you must have a 'B' average. Only the core-curriculum classes you take in the 9th grade (*freshman year*) through the 12th grade (*senior year*) will be included in figuring your grade point average.

A student planning to earn a college preparatory diploma must also graduate meeting the curriculum requirements and have earned a 3.0 cumulative grade average on a 4.0 scale, or an 80 numeric grade average, in the core-curriculum subjects. If you plan to earn a vocational diploma, you must graduate meeting the curriculum requirements and have earned a 3.2 cumulative grade average on a 4.0 scale, or an 85 numeric grade average, in the core-curriculum subjects.

What If You're Thinking About Going To A Technical Institute?

Not everyone graduating from high school wants to pursue a college degree. That is why HOPE assistance is also available for students who wish to continue their education by seeking a diploma or certificate at a Georgia public technical institute. Certificate and diploma programs are available in many skilled fields to provide students with the knowledge and technical skills necessary to be competitive in tomorrow's workforce.

How Can You Prepare For The Future?

1. Work hard in school. Take challenging classes to prepare yourself for the future.
2. Develop good study habits.
3. Learn about Georgia's colleges, universities, and technical institutes and the programs they offer. Visit school campuses with your parents.
4. Start thinking about the direction you'd like to take in life.

And if you or your parents have any questions, call HOPE at (770) 414-3085 in Metro Atlanta, or toll-free 1-800-546-HOPE.

HOPE 2000

The year 2000. A new century. A new millennium. And you will be a member of the new millennium's first high school graduating class. And what will your plans be after graduation? Will you go to college or technical school to learn the skills that will give you career choices and help you get a better paying job? It probably seems a little early to be thinking about college. But there is a very important reason to plan ahead: the HOPE Scholarship.

Beginning with your high school graduating class, the Class of 2000, the eligibility requirements for a HOPE Scholarship will be based on the core-curriculum subjects: 4 units of English; 3 units of math; 3 units of science; 3 units of social studies; and, if you're earning a college preparatory diploma, 2 units of a foreign language. This will ensure that you are better prepared to succeed in college.

What Is HOPE?

Helping Outstanding Pupils Educationally (HOPE) is Governor Zell Miller's educational program to reward students who have earned good grades by helping with the expense of continuing their education after they graduate from high school.

HOPE may be used at eligible public or private colleges and universities, and public technical institutes in Georgia. The program is funded by the Georgia Lottery for Education, which began in 1993.

HOPE will be there for you, too — if you start planning now.

How Can HOPE Help You?

Continuing your education after high school can be expensive. But a HOPE Scholarship can help you with part of your costs. The amount you receive from HOPE depends on the type of school you choose to attend:



"Our great state is striding
toward the new millennium...
and the HOPE Scholarship
will be there in the year 2000
for every Georgia student
who works hard to prepare
for the future."

— Governor
ZELL MILLER

— HOPE —
In The New Millennium



HOPE

It Pays To Get Your Education.

The HOPE Scholarship Program
2082 East Exchange Place, Suite 100
Tucker, GA 30084
(770) 414-3085

Or 1-800-546-HOPE

Internet address: <http://www.state.ga.us>

The HOPE Scholarship Program - *Helping Outstanding Pupils Educationally* - is funded by the Georgia Lottery for Education. Program details are subject to change.



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HOPE 2000

For The High School Graduating Class Of 2000 And Beyond.

How It Works.

Qualifications:

Beginning with the 1996-97 academic year, if you wish to enroll in a degree program as an entering freshman at an eligible Georgia private college or university, you must meet the following qualifications:

- Be a Georgia resident.
- Be a 1996 or later high school graduate.
- Earn a 'B' average (*a 3.0 cumulative grade average on a 4.0 scale, or 80 numeric grade average, meeting the college preparatory track; if you are in any other curriculum track, you must have a 3.2 cumulative grade average on a 4.0 scale, or 85 numeric grade average*).

Students who graduate from high school in the year 2000 and thereafter will be required to earn a 'B' average in their core-curriculum subjects. Students must also graduate meeting the curriculum requirements in their program of study.

Amount of HOPE Assistance:

Students may receive first-year HOPE assistance for the first 30 semester hours (*or 45 quarter hours*) at any eligible private college or university in the amount of \$3,000 per school year.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants you receive.

In addition to the HOPE Scholarship, residents of Georgia who are full-time students (*12 hours*) may also receive the Georgia Tuition Equalization Grant (TEG) of \$1,000 per academic year.

Scholarship Renewal:

You may renew the scholarship for your sophomore, junior, and senior years. To do so, you must:

- Maintain a 3.0 cumulative grade average.
- Reapply for the scholarship by completing the approved forms as designated by the financial aid office at the institution you attend.
- Be making satisfactory academic progress.
- Be a full-time student (*12 hours*).

Second Chance Opportunity for Students to Re-enter HOPE:

HOPE is a reward for scholastic achievement and an incentive to continue working hard in school.

If you fall below a 3.0 average after attempting 30 semester hours (*or 45 quarter hours*), you may continue your sophomore year at your own expense.

Then, if you earn a cumulative 3.0 grade average at the end of your sophomore year (*60 attempted semester hours or 90 quarter hours*), you will be given a second chance to receive a HOPE scholarship for your junior year, with the opportunity to renew the scholarship for your senior year.

During your sophomore year, if you are a full-time student (*12 hours*), you will continue to receive the \$1,000 Georgia Tuition Equalization Grant.

HOPE for Students Already in Private Colleges:

If you attended an eligible private college or university for at least one school term beginning summer 1995 through summer 1996 and received the HOPE grant in the amount of \$1,500 per academic year, you may be eligible to continue receiving this tuition assistance through spring 1999. If you do not meet this qualification, you may only be eligible for the Georgia Tuition Equalization Grant of \$1,000 per academic year. You must continue to be a full-time student (*12 hours*) making satisfactory academic progress.

What To Do.

All HOPE applicants attending private colleges or universities must complete the Georgia Tuition Assistance Grant Application. You may also be required to complete the Free Application for Federal Student Aid (FAFSA) or the HOPE Alternate Application.

These applications are available at any eligible Georgia private college or university.

Ask the financial aid office at the institution you plan to attend for the necessary applications. Also, be sure to check for the deadline dates.

Find Out More.

For more information, contact the HOPE Scholarship Program. Call toll-free 1-800-546-HOPE. In Metro Atlanta, call (770) 414-3085.

Be sure to contact the financial aid office at the institution you are planning to attend regarding information on tuition cost, residency determination, and coursework eligible for HOPE assistance.

— HOPE —
1996-97 Academic Year

Eligible Georgia Private Colleges:

Agnes Scott College	Morehouse College
Andrew College	Morris Brown College
Art Institute of Atlanta	Oglethorpe University
Atlanta Christian College	Oxford College of
Atlanta College of Art	Emory University
Berry College	Paine College
Brenau University	Piedmont College
Brewton-Parker College	Reinhardt College
Clark Atlanta University	Savannah College of Art
Covenant College	Shorter College
DeVry Institute of	Spelman College
Technology	Thomas College
Emmanuel College	Toccoa Falls College
Emory University	Truett-McConnell
Georgia Military College	College
Georgia Baptist College	Wesleyan College
of Nursing	Young Harris College
LaGrange College	
Life College	
Mercer University	



"I was both a student and
a teacher at one of Georgia's
private colleges, so I know
firsthand the value of these
schools to Georgia's citizens.

The HOPE Scholarship Program
expands higher educational
choices for all Georgians."

— Governor
ZELL MILLER

HOPE

It Pays To Get Your Education.

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With
HOPE,
The Cost
Of Private
College
In Georgia
Is Getting
A Lot
Lower.

Forgivable Loans For High Achieving Students Who Aspire To Teach In Georgia.

Program Overview:

Now there's more HOPE than ever for your future. The PROMISE Teacher Scholarship Program — a component of the HOPE Program — provides forgivable loans to high-achieving students who aspire to be teachers in Georgia public schools. Simply put, the more you commit to teach in a Georgia public school, the less you pay for your education. In fact, for a four-year commitment, you can receive up to \$6,000 in financial assistance.

Scholarship Amount:

The maximum award for a full-time student will be \$3,000 for the junior year and another \$3,000 for the senior year. For a student taking less than 6 hours, the maximum award is \$1,500 per academic year.

This forgivable loan, of up to \$3,000 per academic school year, may be used for tuition and any other educational expenses at an eligible public or private college or university. Recipients may also qualify for financial assistance through other components of the HOPE Program.

Eligibility Requirements:

A student must:

- Have earned a minimum, cumulative grade-point average of 3.6 based on a 4.0 grade-point scale and be academically classified as being in the junior year.
- Be accepted for enrollment into a teacher education program leading to initial certification.

Loan Forgiveness:

Under the PROMISE Program, you will be obligated to teach in a Georgia public school at the preschool, elementary, middle, or secondary level one academic year for each \$1,500 awarded through the scholarship.

For example, if you receive \$3,000 per academic year for two years (*a total scholarship of \$6,000*) and teach four years in a Georgia public school at the preschool, elementary, middle, or secondary level, your loan will be completely forgiven.

If you are unable to complete your program or meet your teaching obligation, you must repay any outstanding loan amounts plus interest to the State of Georgia.

Application Process:

An application for the PROMISE Teacher Scholarship Program is available through any eligible public or private college or university in Georgia (*listed in this brochure*) or directly from HOPE. Applicants must complete their part of the application and obtain signatures from the institution's College of Education teacher certification official and the Financial Aid Office. The completed application is then forwarded directly to the HOPE Scholarship Program for consideration.

One thousand scholarships are available for the 1996-97 academic year and will be awarded on a first-come, first-served basis. Scholarship funds will be provided directly to the school's Financial Aid Office and will be disbursed on a quarter-by-quarter or semester-by-semester basis.



"I know the difference an
inspiring teacher can make
in a young student's life.
For every promising
student we attract to
the teaching profession,
we strengthen the
foundation of Georgia's
education system."

— Governor
ZELL MILLER

Eligible Colleges & Universities:

You may participate in the PROMISE program
at any of the public and private colleges or universities
currently offering teacher education programs approved
by the Georgia Professional Standards Commission.
These include:

Private:

Agnes Scott College
Berry College
Brenau University
Brewton-Parker College
Clark Atlanta University
Covenant College
Emmanuel College
Emory University
LaGrange College
Mercer University
Morris Brown College
Oglethorpe University
Paine College
Piedmont College
Shorter College
Spelman College
Thomas College
Toccoa Falls College
Wesleyan College

Public:

Albany State College
Armstrong State College
Augusta College
Clayton State College
Columbus College
Fort Valley State College
Georgia College
Georgia Southern
University
Georgia Southwestern
College
Georgia State University
Kennesaw State College
North Georgia College
University of Georgia
Valdosta State University
West Georgia College

HOPE

The PROMISE Teacher Scholarship Program

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— HOPE —
1996-97 PROMISE
Teacher Scholarship Program



Anyone
With A
3.6 G.P.A.
Has Real
Promise
As A
Teacher In
Georgia.

Loan Forgiveness:

As a recipient of a HOPE Teacher Scholarship, individuals will be granted a grace period of one year after completing their approved program. After the grace period, recipients are obligated to teach/serve in their critical shortage field of study in a Georgia public school at the preschool, elementary, middle, or secondary level one academic year for each \$2,500 awarded through the scholarship, with a maximum of four years to repay.

If the teaching/service obligation cannot be met, any outstanding loan amounts plus interest must be repaid to the State of Georgia.

Application Process:

An application for the HOPE Teacher Scholarship Program is available through any eligible public or private college in Georgia (*listed in this brochure*) or directly from HOPE. Applicants must complete their part of the application and obtain signatures from the institution's College of Education teacher certification official and the Financial Aid Office. The completed application is then forwarded directly to the HOPE Scholarship Program for consideration.

Two thousand scholarships are available for the 1996-97 academic year and will be awarded on a first-come, first-served basis. Scholarship funds will be provided directly to the school's Financial Aid Office and disbursed on a quarter-by-quarter or semester-by-semester basis.

NOTE: If you are a 1995-96 HOPE Teacher recipient, you must complete an Award Maintenance Application to apply for any unused scholarship funds for the 1996-97 academic year. Award Maintenance Applications will be mailed directly to current recipients by HOPE after Spring Term.

Critical Shortage Fields:

The following are the critical shortage fields the HOPE Teacher Scholarship Program addresses for the 1996-97 academic year:

- Middle Grades Education (Grades 4-8) with primary concentration in:
 - Math
 - Science
 - Math and Science
- Mathematics Education (Grades 7-12)
- Science Education (Grades 7-12)
 - Broad Field
 - Biology
 - Chemistry
 - Earth/Space
 - Physics
- Foreign Language Education (Grades P-12)
 - Spanish
 - French
 - German
 - Latin
- Education of Exceptional Children (Grades P-12)
 - Behavior Disorders
 - Gifted
 - Hearing Impaired
 - Learning Disabilities
 - Interrelated
 - Orthopedically Impaired
 - Interrelated/ECE
 - Visually Impaired
 - Mental Retardation
 - Preschool Handicapped
- English to Speakers of Other Languages (ESOL) (Grades P-12)
- Industrial Arts/Technology Education (Grades 7-12)
- Speech Language Pathology (Grades P-12)
- School Counselor (Grades P-12)*

*Since it is anticipated that there will be a sufficient number of school counselors available to fill current vacancies, the School Counselor certification will not be eligible for HOPE funding for new recipients after the 1996-97 academic year.

Program Overview:

Now there is more HOPE than ever for your future. The HOPE Teacher Scholarship Program — a component of the HOPE Program — provides forgivable loans to individuals seeking advanced education degrees in critical shortage fields of study. Simply put, the more you commit to teach in a Georgia public school after earning your advanced degree, the less you pay for your education. The purpose of this program is to attract more teachers and to improve the quality of instruction in teaching fields that currently have a shortage of trained professionals.

Eligible Recipients:

The HOPE Teacher Scholarship Program assists a broad range of individuals including:

1. *Teachers Without a Master's Degree.* This includes teachers who have a Bachelor's Degree and are seeking an advanced degree in their current or in a new critical shortage field.

2. *Teachers, School Counselors, and Individuals with a Master's or Specialist Degree.* This includes:

A. Teachers, School Counselors, and individuals who have a Master's Degree in a critical shortage field and are seeking a Specialist or Doctorate Degree in their current critical shortage field;

B. Teachers and individuals who have a Master's Degree in a non-critical shortage field and are seeking an advanced degree in a critical shortage field; and

C. Teachers, School Counselors, and individuals who have a Specialist Degree in a critical shortage field and are seeking a Doctorate Degree in their current critical shortage field.

3. *Georgians with a Bachelor's Degree Who Are Not Currently Teaching or Who Have Not Taught.* This includes:

A. Individuals not currently teaching or who have not taught who have a Bachelor's level certificate and are seeking an advanced degree in their current or in a new critical shortage field; and

B. Individuals who have a Bachelor's Degree who have not taught and are seeking an advanced degree in a critical shortage field.

4. Current Georgia educators seeking to complete approved programs in a critical shortage field in which degree programs are not generally offered. Fields approved for this category are ESOL, Gifted, and Preschool Handicapped.

Eligibility Requirements:

A student must:

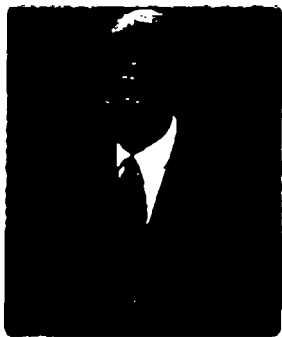
- Be a legal resident of Georgia; and
- Be admitted for regular admission into graduate school and into an advanced degree teacher education program leading to certification in a critical shortage field.*

**Exceptions will be made only for approved non-degree programs for ESOL, Gifted, and Preschool Handicapped. Students whose admission status is provisional are not eligible.*

Scholarship Amount:

Maximum awards are based on the number of credit hours necessary for students to complete their program of study. Scholarship funds can be used toward tuition and fees, and any other part of the student's cost of attendance budget. Students who attend an eligible quarter system college receive \$75 per quarter hour or \$200 per semester hour at an eligible semester system college.

For example, if you enroll in a Master's Program and need 60 quarter hours to complete your program, the maximum award for your program of study would be \$4,500. The college will disburse your award each term as follows: Suppose you enroll for 10 quarter hours Summer Term, you would receive \$750 from the HOPE Teacher Scholarship (*10 hours x \$75 per quarter hour*). If the college charges \$550 for tuition and fees, you would then receive the remaining \$200 for Summer Term, which can be used for other expenses such as books and supplies.



"We need to attract and keep
the best teachers to prepare our
students for the 21st century.

Teachers provide our children and
grandchildren the skills they need
to earn a living in a society where
education is becoming more crucial
than ever. The HOPE Teacher
Scholarship Program will provide
Georgia with an increasing number
of highly qualified teachers
necessary to educate the
future leaders of our State."

— Governor
ZELL MILLER

Forgivable Loans For Teaching Professionals Who Aspire To Earn Advanced Degrees In Critical Shortage Fields Of Study.

Eligible Colleges & Universities:

You may participate in the HOPE Teacher Scholarship Program at any of the public and private colleges or universities currently offering teacher education programs approved by the Georgia Professional Standards Commission. These include:

Private:

Berry College
Brenau University
Clark Atlanta University
Emory University
LaGrange College
Mercer University
Oglethorpe University

Public:

Albany State College
Armstrong State College
Augusta College
Columbus College
Fort Valley State College
Georgia College
Georgia Southern University
Georgia Southwestern College
Georgia State University
Kennesaw State College
North Georgia College
University of Georgia
Valdosta State University
West Georgia College

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— HOPE — 1996-97 HOPE Teacher Scholarship Program



Teaching In Georgia Is Now More Rewarding Than Ever.