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Part of a Helpful Student Aid Package

Lawrence Gladieux and Robert Reischauer obscured the benefits of President Clinton's college plan in their column "Higher Tuition, More Grade Inflation" [op-ed, Sept. 4]. The writers failed to acknowledge that the proposal is part of a comprehensive plan that includes greater investments in Pell grants, College Work-Study, AmeriCorps and merit scholarships for the nation's top high school graduates. The aim of the America's HOPE scholarship is to support working families squeezed between climbing tuitions and the financial assistance targeted at the nation's most needy students.

The writers criticize the proposal because it "won't lift the country's net investment in education or widen opportunities for higher education." In fact, America's HOPE scholarship will encourage and help millions to pursue higher education. Targeted assistance in the form of a refundable tax credit will help our college-bound students of all ages to earn an education and build a better life for their families.

The writers assert that the education-related tax cuts will amount to a "windfall" for families of students who would go to college with or without such a move. After more than a decade in which tuition inflation has steadily outpaced the rest of the economy, we expect America's working families will consider the HOPE scholarship to be a form of relief and an investment in themselves. That is especially true for the fastest growing segment of the collegiate student body—the nontraditional students who are returning to campus later in life to get their degrees.

The writers complain that the year-end delivery of a tax refund does not help to meet the up-front costs of tuition. However, this tax cut will enable families to plan for college costs with the assurance that they will be able to afford the tuition at a typical community college or to apply that amount (as much as $1,500) to a four-year college.

The implication that this proposal could drive tuition rates up does not acknowledge the growing competitive and state political pressures on colleges and universities to hold costs down. Institutions of higher education must satisfy parents and students who are more demanding consumers in the wake of the unprecedented amount of information about colleges and universities that now is available.

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Stop Singing the Student-Loan Blues

LETTERS

The opinion-page article "Student Debt - Address It Now or Pay Later," Aug. 20, presents some of the anxieties that students and parents confront in borrowing to pay for a college education. Helping students and families deal with those anxieties is the goal behind the student-aid policies and proposals developed by the Clinton administration.

In recent years, the old guaranteed student-loan program has grown cumbersome for students and colleges, and unduly expensive for taxpayers. The need for change in this area led the Clinton administration and a bipartisan coalition in Congress to create the direct student-loan program - a simpler, faster, and more efficient way of getting loan funds to students that offers them more choices in how they repay their loans.

Direct lending delivers loan funds to students through their campus financial-aid office in a matter of days, a great improvement compared with turnarounds of six weeks or more in the guaranteed program. Direct lending gives students the choice of repaying their loans as a percentage of their income - an important option that makes their debts more manageable when their incomes are low, their families are young, or their careers are just beginning.

Borrowers who are already repaying their loans can pursue this option through a Direct Consolidation Loan. Now entering its third year of operation, direct lending is getting high marks from administrators and more than 2 million student borrowers at more than 1,700 participating colleges.

President Clinton has outlined several proposals to strengthen our national commitment to excellence in education and to expand educational opportunities. These proposals, which are paid for in his balanced-budget plan, reflect three guiding principles: cutting costs for students and families, rewarding academic achievement, and encouraging personal responsibility through work and savings. They include:

- America's HOPE scholarships, which will provide a refundable tax credit to middle-income families for college tuition. The credit would provide up to $1,500 for full-time students in their first year of college and $750 for half-time students. Those students who earn a B average during their freshman year can receive the same credit for a second year. This covers the breadth of post-secondary education - technical schools, community colleges, and public and private colleges and universities.
- A tax deduction of up to $10,000 per family for tuition for college, graduate school, community college, or a certified technical program. Families could choose the tax credit or the deduction, but not both for the same student at the same time.
- Expanding the College Work-Study Program by 50 percent, enabling 1 million students to earn part of their tuition through a campus job.
- Providing $1,000 merit scholarships to the top 5 percent of students in every high school in the country as a reward for their accomplishment.
- Increasing the Pell Grant, the basic federal grant for needy students, to $3,120 by the year 2000.

The US Department of Education plays a vital role in helping students and families meet the costs of college. In fact, more than two-thirds of all student aid comes in the form of federal grants and loans, which ensures access to higher education for millions of students.

In the information age in which we live, access to higher education is at the heart of our economic well-being and the American spirit of opportunity.

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