

Kennedy Counsels Bush Commission

By Amy Wong

Senator Edward Kennedy (D-MA) recently wrote a letter to Charles Miller, chairman of the Secretary of Education's Commission on the Future of Higher Education, offering numerous strategies on how to bolster student financial aid.

This is not the first punch that Kennedy, a leading proponent of education, has thrown in his fight for more affordable education. Previously, Kennedy has penned numerous proposals, consistently championing the importance of college education and criticizing the financial barriers and hardships that students and graduates confront.

Kennedy's letter to the Commission amalgamates many of his previous proposals regarding more affordable education, drawing from "The College Cost Crunch" report, the Student Debt Relief Act, and the Student Aid Reward Act.

Along with several Senate democrats, Kennedy recently released "The College Cost Crunch" on June 28, a report that analyzes the debilitating effects of and proposes a set of remedies for increasing educational costs.

In his crusade against inaccessible education, Kennedy staunchly urges the Commission to consider decreasing interest rates on student loans, increasing the maximum Pell Grant amount and reinstating the college tuition tax deduction. All these proposals, Kennedy claims, would significantly help students and families pay for college education costs.

If the Pell Grant were increased to \$5,100, Massachusetts students may receive almost \$63 million more in need-based aid, successfully relieving 4,700 students of additional financial burden. If interest rates were cut in half, students with \$17,353 in student loan debt would save \$3,470 in interest over the life of their loans.

Kennedy's letter also draws inspiration from the Student Debt Relief Act, in which he and his colleagues said that monthly loan payments should be capped at 15 percent of a borrower's annual discretionary income. If implemented, graduates would be able to successfully manage their student debt without going default.

Another proposed remedy is to provide loan forgiveness for people who complete 10 years in a public service career. Currently, graduates hesitate before assuming a public service job because of lower monetary compensations. If debts were forgiven, more graduates would consider public service careers as viable career options.

Kennedy also refers to his work in the Student Aid Reward (STAR) Act, which promotes greater competition between different loan programs. This competition, he argues, would provide the government with more savings, which can then be distributed to students as financial aid.

Springing off from the idea of competition, Kennedy also discusses how the Secretary of Education should publicly determine which of the two primary federal loan programs— Direct Loan or FFEL program—is the more affordable option for students. If a college were to choose the less expensive of the two programs, it will produce savings, which will then be redistributed as additional Pell Grant scholarship funds. Schools that opt for the less expensive federal loan program will be rewarded.

The Congressional Budget Office expects the STAR Act to raise \$13 billion over the next 10 years by simply encouraging the competition between the Direct Loan and FFEL programs. Kennedy points out, in his letter, that the earnings of the STAR Act could effectively distribute funding to needy schools and students across the country.

Kennedy's letter is another attempt to make education affordable to all students. Because of higher college expenses, Kennedy said that "families across the United States are pinching pennies in order to send their children to college. They are willing to sacrifice a lot for a college education, but we know it's getting harder and harder as costs go up, and student debt goes up too."

Because of the costliness of education, Kennedy says that, "The American Dream is at risk if we fail to make college more affordable."

Because of the high costs of education, "hundreds of thousands of students each year do not attend college because they can not afford it." Many of these people will earn less than and have fewer career opportunities available than college graduates.

Meanwhile, many graduates still have to suffer financial hardship, needing "to choose between paying off their college loans and buying a home or having a family."

Kennedy continues, "The federal government needs to do more to help families."