

# Congressional *Factsheet*



United States Student Association 2006

## HIGHER EDUCATION ACT REAUTHORIZATION

### USSA URGES CONGRESS TO:

#### ✔ Increase Grants

- ✔ Make Pell Grants an Entitlement
- ✔ Increase Graduate Student Aid
- ✔ Create the Patsy Mink Graduate Fellowship Program

#### ✔ Increase Access

- ✔ Fully Repeal Drug-Related Suspension of Financial Aid
- ✔ Increase Support for Child Care
- ✔ Improve Collection of Hate Crimes Data

#### ✔ Preserve Good Programs

- ✔ Campus Safety Provision
- ✔ Strengthen GEAR UP
- ✔ Voter Registration Provision

#### ✔ Lower Student Loan Debt

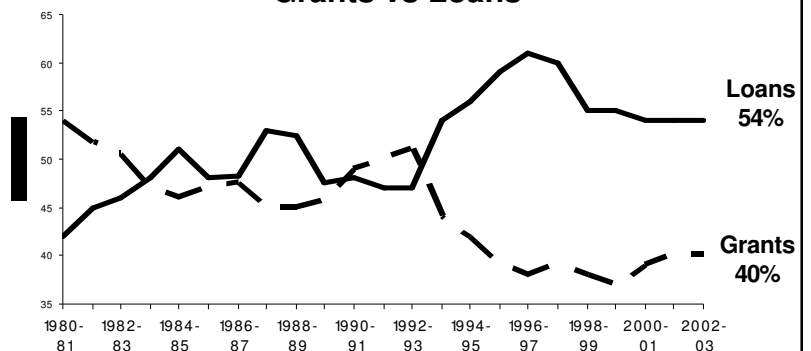
- ✔ Preserve Fixed Rate Loan Consolidation
- ✔ Lower Interest Rate Cap
- ✔ Eliminate Loan Origination Fees
- ✔ Expand Loan Forgiveness

### THE FACTS

- The average total costs at a public 4-year school have increased by 46% since 1992.
- Over 150,000 students have been denied aid due to the HEA drug provision since 2000.
- The growth rate in loans per student was 3 times the growth rate of grants per student from 1993 to 2004.
- Students spent approximately \$1.7 billion on loan origination fees for loans generated in 2003-04.

The College Board and the Congressional Research Service

### Grants vs Loans



Trends in Student Aid, various years, College Board

### LOWER INTEREST RATE CAP

The current interest rate cap for all Stafford loans is 8.25%. In 2001, Congress made a promise that students would not pay more than 6.8% in interest starting July 2006. Lowering the interest rate cap on loans would save students thousands of dollars in loan repayment. We need Congress to keep its promise to students and make loans affordable. **USSA urges Congress to lower the interest rate cap.**

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# H.E.A. ISSUES

## PELL GRANT ENTITLEMENT

Pell Grants are the cornerstone of a low or moderate-income student's financial aid package and determine her/his ability to attend college. Inadequate funding levels have decreased the purchasing power of the Pell Grant over time. **USSA urges Congress to make this program an entitlement, guaranteeing a fully funded basic Pell Grant.** Making the Pell Grant an entitlement will firmly demonstrate Congress' commitment to educational access and will alleviate the stigma that the federal investment in education is sacrificed in order to balance the budget. **Prioritize the Pell Grant program as the key access tool for the neediest students by making it an entitlement!**

## PRESERVE GEAR UP

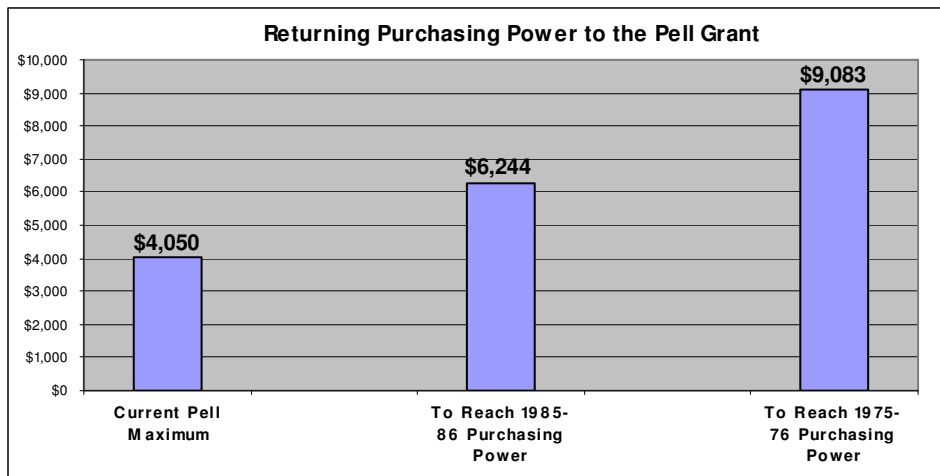
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a vital program that improves the lives of many low-income students. GEAR UP provides thousands of low-income students with access to mentorship and other support services that are critical to ensure college attendance. **USSA urges Congress to strengthen and maintain this program's autonomy.**

**Over 39% of students graduate with unmanageable levels of loan debt (more than 8% of their monthly income).**

Empty Promises: The Myth of College Access in America 2002

## IMPROVE COLLECTION OF HATE CRIMES DATA

Institutions are required to collect statistics on crimes that involve victims targeted because of her/his race, gender, religion, sexual orientation, ethnicity, or disability and to submit the information to the Department of Education. Yet the data reported often conflicts with hate crime data provided by the FBI. **USSA urges Congress to address the discrepancies between hate crime reporting to the FBI and the Department of Education.**



Trends in Student Aid 2004, College Board

## EXPAND LOAN FORGIVENESS

USSA is committed to making education accessible for all; we are also concerned about the financial burden accompanying students when they leave college. Students are taking out more loans than ever, leading to unmanageable amounts of debt upon graduation. Loan forgiveness is a proactive policy that allows students to contribute to the broader community and economy instead of being stifled by unmanageable debt after graduation. Loan forgiveness provisions should include nursing, social work, childcare, and non-profit jobs.

## DRUG-RELATED SUSPENSION

The drug-related suspension policy tries people twice who have already paid their debt to society. Federal law states that federal financial aid is to be denied for students who have been convicted of drug-related crimes, regardless of how small. The drug question on the FAFSA form is bad public policy and disproportionately affects low-income students. Children of wealthier families rarely worry about losing their college opportunities; they can afford the quality legal representation necessary to avoid drug convictions as well as the price of tuition without financial aid. **USSA demands a full repeal of this provision in the reauthorization of the HEA.**

## VOTER REGISTRATION PROVISION

USSA believes that registering students to vote and actively encouraging young people to participate in the political process is important in all our communities. Colleges and universities serve a pertinent role in guaranteeing that students possess the necessary materials to exercise their right to vote. Congress should keep this provision within the HEA.

### Voter Turnout for Ages 18-24

2004: 42.3%      2000: 36.5%

Center for Information and Research on Civic Learning and Engagement

## ELIMINATE LOAN ORIGATION FEES

Under current law, students pay fees with each loan they originate. This practice results in less money for a student's expenses, yet the student is required to pay interest on the full amount of the loan. The origination fees are retained by the government and are an unfair tax on students. **USSA urges Congress to eliminate loan origination fees during the reauthorization of the Higher Education Act.**

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