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EDUCATION AMENDMENTS OF 1971

Sen. Claiborne Pell

The events of the past year with regard to student financial aid have truly been momentous.

The financial aid officers of our Nation's schools know all too well the growing need for assistance of students from an ever-increasing cross section of financial backgrounds. In my meetings with the Student Financial Aid Officers, I find that mention of this growing need always brings a look of resignation from the man on campus who must often deliver the bad news about a youngster's future. It is my hope that in the future, such individuals, instead of being harbingers of bad news, will be able to point to new and expanded programs of student aid. Indeed, this has been one of my goals since I first came to the Senate.

I would like to discuss at length S. 659, my proposal which passed the Senate on August 6 by a vote of 51 to 0. This bill, entitled the "Education Amendments of 1971", contains the reauthorization of present higher education programs, and would upon final enactment establish a far-reaching new program of student assistance. The history of this bill, its travels and "travails" through the Subcommittee on Education and the full Committee on Labor and Public Welfare, will serve as a basis for understanding the form in which it received unanimous endorsement on the Senate floor.



Senator Pell has had a particular interest in youth for a long time. Introducing legislation to expand and improve the quality and extent of education, he sponsors the largest intern program of college students on Capitol Hill, and has sought to bring fuller employment through his energetic support of such Federal programs as Manpower Development and Training, Area Redevelopment, Economic Opportunity, and Economic Development Acts. He is currently Chairman of the Subcommittee on Education, and serves also on the Senate Foreign Relations, Labor and Public Welfare, and Rules and Administration Committees.

On February 8, 1971, I introduced S. 659. That bill provided an entitlement for each student of \$1,200, minus the amount of income tax paid, coupled with an institutional grant of \$1,000, from which the amount of tuition was deducted. Needless to say, there were many other provisions, but these two were the most far-reaching and of immediate interest to the higher education community.

It has often been said that the hearing process is no longer effective, that it is time-consuming and tends to generate proof for only those proposals in which committee members are interested. Such was not the case this year. A total of 15 days of hearings were held. The Senators on the Subcommittee on Education were fully briefed and informed on the myriad problems faced by higher education. Discussion was had on the various proposals put forward to meet those problems.

Representatives of the Student Financial Aid Officers were very gracious and gave frank testimony on their views. The searching statements given clearly delineated the problems and helped to crystallize and direct the thinking of the Subcommittee members.

From the start of the hearings, it was clear that all wanted to do something for the students, but the method to be used was very much a matter hanging in air. There was unanimity of opinion that the aid had to be targeted to the neediest students, but also that some relief had to be made available to students from middle income families.

As discussions progressed, the issue turned to the question of grants versus loans as a basic vehicle for financing postsecondary education. In simple terms, the Administration, while retaining some existing grant programs, chose to introduce a program which relied most heavily on loans, while my bill sought to make grants the principal floor of Federal support. The philosophic underpinning of that support for the grant approach is my profound belief that every individual in this country should have the right to a floor of support for postsecondary education. What best indicates the need for this type of support is the statistic indicating that while 60 percent of youngsters from families with incomes of \$15,000 and up are in college, only 13 percent of youngsters from families of incomes under \$3,000 attend college. I am happy to report that the Committee on Labor and Public Welfare, and subsequently the full Senate, opted for the philosophy of grants.

Under S. 659, as passed by the Senate, an undergraduate student (for part-time students, the aid is prorated) would have available to him the following programs of Federal student assistance:

I. Basic Educational Opportunity Grant:

Each student will be entitled to an amount equal to \$1,400, less his expected family contribution that grant not to exceed one-half of the college costs to the student. Family contribution is determined by family income, assets, dependents, and unusual expenses. This contribution standard would be

first published in *The Federal Register*, subject to public and Congressional review (with provision for Congressional rejection), before becoming effective. The school attended by a student who is receiving a Basic Educational Opportunity Grant would receive a cost-of-instruction allowance grant of from \$100 to \$500, in reverse ratio to the size of the institution.

II. If (a) this amount is insufficient to meet college expenses, or (b) if family income is too high for the student to qualify for the basic grant, but college costs are above the student's capacity to pay, the student will be eligible for one or more of the following programs:

Supplemental Educational Opportunity Grant:

This is similar to the present EOG grant (\$200 to \$1000), with the following changes: (a) the student matching requirement is waived so that the basic grant may be considered as part of matching; and (b) an additional \$200 eligibility is provided for students in the upper half of their class.

Work-Study:

This is similar to the present work-study program.

NDEA Student Loan:

This is similar to the present program, with the following changes: (a) the annual loan limit is increased from \$1,000 to \$1,500 and the total limit is increased from \$5,000 to \$7,000; (b) the monthly minimum repayment is increased from \$15 to \$30; and (c) the Commissioner will reimburse schools for forgiveness — it is hoped that the latter two provisions will result in an increase in the revolving loan fund, thus making more money available for NDEA loans.

III. For (a) middle-income students ineligible for the foregoing or (b) those in high-cost institutions for whom the foregoing is insufficient, there will be available:

Guaranteed Student Loans:

This is similar to the present program, with a warehousing and secondary market provision added to help lender fluidity. The annual loan limit could be increased from \$1,500 to \$2,500 in exceptional cases. As can be seen, this proposed student assistance package is all-inclusive, but there are variables built in for one most important reason. The Senators were convinced that Federal support should not become one more automatic program, oblivious to individual needs. After meeting with student financial aid officers and realizing that students are presently receiving individual assistance geared to their own specific problems, a Federal program was designed to follow this practice.

The Senate-passed bill does, I believe contain such a program. It, in effect, makes the student financial aid officer on each campus a surrogate Federal agent, for he will be the man who must creatively utilize the available Federal programs. Yet, even before the student comes in seeking the

aid, the financial aid officer will be involved, probably through his national organization, and indeed through this Journal, during the preparation of the "family contribution table" by the Commissioner of Education. The information input and follow-up on that table will be most crucial.

I hope that the foregoing has been helpful in understanding the Senate-passed bill. In late September, the House Committee on Education and Labor reported out a measure which was markedly different from the Senate bill in its student aid provisions. (Indeed, by the time of this printing that bill could well have passed the House and have been the subject of Conference.)

What will be the ultimate form of the public law is unclear. However, one point does appear to be salient. The Senate has stated that the United States has a responsibility to provide some form of postsecondary education to all students. We would accomplish that end through the use of a floor of support. This fact alone is what makes this year a landmark one in the growth of Federal support for higher education.