



DAILY BRIEFING



Thursday, September 20, 2007

Legislative Developments

A number of bills on topics of interest to the student loan community have been introduced since our last report on proposed legislation in the 110th Congress. A summary of these and other bills follows. House bills are listed first and Senate bills thereafter. The descriptions of the bills are taken from summaries prepared by the Congressional Research Service, where available. Both are accessible on the government's Thomas web site, <http://thomas.loc.gov/>.

H.R. 2669

Title: College Cost Reduction and Access Act (Enrolled as Agreed to or Passed by Both House and Senate). To provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008.

Sponsor: Rep Miller, George [CA-7] (introduced 6/12/2007) Cosponsors (31)

Related Bills: H.RES.531, H.RES.637

Latest Major Action: 9/19/2007 Presented to President.

House Reports: 110-210; Latest Conference Report: 110-317 (in Congressional Record H10168-10181)

Awaiting final signature from President.

H.R. 3512

Title: College Textbook Affordability and Transparency Act of 2007. To ensure that college textbooks and supplemental materials are available and affordable.

Sponsor: Rep Carson, Julia [IN-7] (introduced 9/10/2007) Cosponsors (4)

Latest Major Action: 9/10/2007 Referred to House committee. Status: Referred to the House Committee on Education and Labor.

H.R. 3525

Title: FACT Act Rulewriting Improvement Act of 2007. To require rapid implementation of guidelines and regulations regarding the accuracy of consumer information furnished to consumer reporting agencies that were required to be established by the Fair and Accurate Credit Transactions Act of 2003 and have not been implemented, to provide that the Federal Trade Commission shall take the lead in implementation of the guidelines and regulations, and for other purposes.

Sponsor: Rep Frank, Barney [MA-4] (introduced 9/14/2007) Cosponsors (None)

Latest Major Action: 9/14/2007 Referred to House committee. Status: Referred to the House Committee on Financial Services.

H.R. 3526

Title: To include all banking agencies within the existing regulatory authority under the Federal Trade Commission Act with respect to depository institutions, and for other purposes.

Sponsor: Rep Frank, Barney [MA-4] (introduced 9/14/2007) Cosponsors (None)

Latest Major Action: 9/18/2007 House committee/subcommittee actions. Status: Ordered to be Reported by Voice Vote.

H.R. 3548

Title: Plain Language in Government Communications Act of 2007. To enhance citizen access to Government information and services by establishing plain language as the standard style for Government documents issued to the public, and for other purposes.

Sponsor: Rep Braley, Bruce L. [IA-1] (introduced 9/17/2007) Cosponsors (4)

Latest Major Action: 9/17/2007 Referred to House committee. Status: Referred to the House Committee on Oversight and Government Reform.

H.R. 3566

Title: To permanently extend the waiver authority of the Secretary under the Higher Education Relief Opportunities for Students Act of 2003.

Sponsor: Rep Kline, John [MN-2] (introduced 9/18/2007) Cosponsors (3)

Latest Major Action: 9/18/2007 Referred to House committee. Status: Referred to the House Committee on Education and Labor.

ACE Issues 22nd Annual Status Report on Minority College Participation

The American Council on Education (ACE) this week issued its annual report on the status of minority enrollment in the U.S. that found gaps still persist in college participation rates among students of color and white students. In its 22nd year of publication, the report, "[Minorities in Higher Education 22nd Annual Status Report: 2007 Supplement](#)" uses data from the U.S. Department of Education's National Center for Education Statistics (NCES) and the U.S. Census Bureau to draw conclusions about the status of minority enrollment in higher education.

According to the report, total minority enrollment at the nation's colleges and universities rose by 49 percent between 1994 and 2004 to more than 4.8 million students, while the number of white students during the same period increased by 6 percent to 10.6 million students. These numbers show that while minority enrollment in college is on the rise domestically, the rate of participation is far less than their white counterparts. Specifically, the report notes that between 1993-95 and 2003-05, the college participation rate for white students increased from 43 percent to 48 percent, while the college participation rate for African American students increased from 35 percent to 41 percent and 35 percent to 37 percent for Hispanic students.

Other key findings contained in the report include:

- From 1994 to 2004, total college enrollment increased by 3 million students to 17.3 million, a 21 percent increase.
- From 1994 to 2004, growth in Hispanic enrollment led all racial/ethnic groups, increasing by 67 percent. The largest growth in Hispanic enrollment took place at four-year institutions where enrollment rose by 73 percent.
- The largest percentage increase in enrollment occurred at private for-profit institutions. Between 1994 and 2004, enrollment at these institutions increased 275 percent to 880,000 students. Students with unknown race/ethnicity increased by nearly 700,000 between 1994 and 2004, accounting for most of the growth in overall enrollment.
- Growth occurred in the number of professional and doctoral degrees conferred despite declines in the number of white males earning these degrees.

For more information, related articles from ACE and *Inside Higher Ed* are included in the expanded version

of today's Daily Briefing.

Education Department Update

The following announcements have been posted to the IFAP Web site:

- [NSLDS Guaranty Agency \(GA\) Technical Updates](#) - GA-2007-05: Enrollment Reporting Processes for Guaranty Agencies.

General News

- *The Chronicle of Higher Education* reports, "Senate Bill Would Allow Borrowers to Discharge Private Student Loans Through Bankruptcy." The legislation, S. 1561, introduced in June by Sen. Richard J. Durbin (D-IL), is currently pending before the Judiciary Committee.
- [ACE Report](#): What Do the New Rules on Lobbying Congress Signify for Colleges and Universities?
- Press Release: Fitch Ratings Upgrades and Affirms Sallie Mae's Private Credit Student Loan ABS Ratings. "Overall, the collateral performance of the SLM private student loans financed by the various trusts has been consistent with or better than Fitch's expectations from a net loss perspective," Fitch Ratings.
- An opinion piece from *Inside Higher Ed* titled, "The Hidden Access Crisis."
- An article from *USA Today* titled, "From Combat to Crisis" that discusses efforts to ease the transition into higher education for veterans.

News From Our Members & Colleagues

- College Planning Center Earns National Seal of Approval (NHHEAF)

These complete stories can be found on the NCHELP Web site in the Daily Briefing section of the NCHELP e-Library at: [db0920.pdf](#).

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Gaps Persist in College Participation Rate of Students of Color and Whites, According to ACE's Annual Report on Minorities in Higher Education

Washington, DC (Sept. 19, 2007)—Total minority enrollment at the nation's colleges and universities rose by 49 percent between 1994 and 2004 to more than 4.8 million students, while the number of white students during the same period increased by 6 percent to 10.6 million students, according to the American Council on Education's (ACE) *Minorities in Higher Education 22nd Annual Status Report: 2007 Supplement*.

The report shows that while students of color continue to make gains in college enrollment, they continue to lag behind their white peers in the percentage of 18- to 24-year-old high school graduates enrolled in college, commonly referred to as the college participation rate.

Between 1993-95 and 2003-05, the college participation rate for whites increased from 43 percent to 48 percent, while the college participation rate for African Americans increased from 35 percent to 41 percent. The college participation rate for Hispanic students saw little improvement during the same period, growing from 35 percent to 37 percent.

The release of this year's edition marks a new publication schedule for the highly regarded annual report that is widely recognized as the national source of information on advances made by students of color in higher education. Beginning in 2008 with the 23rd edition, ACE will issue the full *Status Report* every other year. ACE will release an abridged version of the *Status Report* in the interim years (starting this year) that will be available on the ACE web site as a [complimentary PDF](#).

"The data on enrollment, degrees conferred, faculty and administrators in higher education varies little from year to year, so after consulting with our member institutions, ACE decided to streamline the process by releasing the full report biennially," said Diana I. Córdova, director of ACE's Center for Advancement of Racial and Ethnic Equity.

Readers of this year's *Minorities in Higher Education 22nd Status Report: 2007 Supplement* will find recent data on high school completion and college participation rates, educational attainment rates and degrees conferred in a condensed format.

Key findings include:

- From 1994 to 2004, total college enrollment increased by 3 million students to 17.3 million, a 21 percent increase.
- From 1994 to 2004, growth in Hispanic enrollment led all racial/ethnic groups, increasing by 67 percent. The largest growth in Hispanic enrollment took place at four-year institutions where enrollment rose by 73 percent.
- The largest percentage increase in enrollment occurred at private for-profit institutions. Between 1994 and 2004, enrollment at these institutions increased 275 percent to 880,000 students.
- Students with unknown race/ethnicity increased by nearly 700,000 between 1994 and 2004, accounting for most of the growth in overall enrollment.
- Growth occurred in the number of professional and doctoral degrees conferred despite declines in the number of white males earning these degrees.

The *Status Report* uses data from the U.S. Department of Education's National Center for Education Statistics (NCES) and the U.S. Census Bureau. The *Status Report* no longer relies on data from tables constructed by NCES. Instead, the statistics reported are based on author analysis of the Integrated Postsecondary Education Data System (IPEDS).

Founded in 1918, ACE is the major coordinating body for all the nation's higher education institutions, representing more than 1,600 college and university presidents, and more than 200 related associations, nationwide. It seeks to provide leadership and a unifying voice on key higher education issues and influence public policy through advocacy, research, and program initiatives.

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[Back](#)

Advertisement



Sept. 20

Minority College Enrollments Edge Higher

The number and proportion of minority students enrolled in American colleges both continued to grow in 2004, according to the American Council on Education's annual report on the status of minorities in higher education. But [the group's data-filled study](#) also showed that the rates at which black and Hispanic Americans enroll in college continues to lag their white peers significantly.

"Minorities in Higher Education 22nd Annual Status Report: 2007 Supplement," which the council released Wednesday, represents a slight change in practice by higher education's umbrella group. Citing the relatively small change that occurs from year to year in most of its indicators, the group decided that rather than release a full-blown report every year, it will switch to a biennial schedule, publishing a supplement updating heavily used tables in the odd years, with this year's being the first. The next full version of the report, the 23rd Annual Status Report, will come out in 2008.

The changes in data may rarely be monumental, but they are still notable, and closely watched. The table below shows that the numbers of college-enrolled students from all minority groups continued to grow faster between 2003 and 2004 than did the number of white students at the undergraduate and graduate levels (though not in professional schools):

Higher Education Enrollments by Race, 2003 and 2004

	2003	2004	% Change
Undergraduate			
Total	14,473,884	14,780,630	2.1
White	9,086,030	9,162,653	0.8
African American	1,743,859	1,808,724	3.7
Hispanic	1,480,534	1,553,201	4.9
Asian American	850,968	872,535	2.5
American Indian	149,405	151,829	1.6
Foreign	312,506	313,392	0.3
Race/ethnicity unknown	850,582	918,296	8.0
Graduate			
Total	2,097,511	2,156,885	2.8
White	1,232,868	1,255,857	1.9
African American	184,563	197,482	7.0

Hispanic	106,338	111,062	4.4
Asian American	97,677	100,815	3.2
American Indian	11,393	12,110	6.3
Foreign	270,352	268,034	-0.9
Race/ethnicity unknown	194,320	211,525	8.9
Professional			
Total	329,076	334,529	1.7
White	220,024	223,012	1.4
African American	24,300	24,336	0.1
Hispanic	15,612	15,661	0.3
Asian American	38,388	39,661	3.3
American Indian	2,199	2,289	4.1
Foreign	8,330	8,181	-1.8
Race/ethnicity unknown	20,223	21,389	5.8

But the proportions of all black and Hispanic Americans who were enrolled in college in 2004-5 lagged significantly behind the comparable proportion of white Americans, as seen in the table below:

Proportion of 18- to 24-Year-Old High-School Graduates Enrolled in College, By Race

	1995	2000	2005
All races	42.4%	43.3%	46.0%
White	44.0	44.2	48.7
African American	35.6	39.4	41.0
Hispanic	35.3	36.5	37.6

The council's report includes breakdowns on minority enrollments by type and control of institution and by gender and race, and data on degrees conferred to different racial groups at the associate, bachelor's, master's and doctoral levels, among other statistics.

— [Doug Lederman](#)

*The original story and user comments can be viewed online at
<http://insidehighered.com/news/2007/09/20/minority>.*

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Today's News

Thursday, September 20, 2007

Senate Bill Would Allow Borrowers to Discharge Private Student Loans Through Bankruptcy

By [KELLY FIELD](#)

Fred J. Konopasek was fresh out of college and working for a car-rental company in 2003 when he was attacked in his sleep by his girlfriend's angry ex-boyfriend. The attack left him with a concussion, two black eyes, and more than \$10,000 in medical bills.

Uninsured, and unable to make the payments on a \$32,000 annual salary, he filed for bankruptcy, erasing his medical bills and \$20,000 in credit-card debt that he had accumulated during four years at Assumption College in Worcester, Mass.

But the \$51,000 in student loans that paid for his political-science degree did not disappear. That's because student loans -- like criminal fines, overdue taxes, and child-support payments -- are almost impossible to discharge through bankruptcy. Under federal law, it is far easier for a borrower to escape a car loan or a gambling debt.

That could soon change. Proposed legislation in Congress would allow borrowers to discharge their private student loans -- but not federally guaranteed loans -- after five years of repayment.

The bill, [S 1561](#), was introduced in June by Sen. Richard J. Durbin, Democrat of Illinois, and is now pending before the Judiciary Committee. While the measure's future is uncertain, it may be attached to other legislation moving through Congress this year.

Supporters say the bill would provide much-needed relief to borrowers who find themselves in severe financial distress, while discouraging banks from making loans to students who are likely to default. They argue that it is unfair for the government to treat student loans more harshly than other forms of unsecured debt.

"We are more forgiving of the middle-aged guy who buys a Corvette and stops making payments than we are of the 22-year-old who goes to college and drops out," says Luke Swarthout, a higher-education advocate with the U.S. Public Interest Research Group. "If our laws are a reflection of our values, is that our value system?"

Lenders say that the bill would raise their financing costs and cut into their profits, forcing them to increase interest rates and trim borrower benefits to make up for lost revenue. Some say that they would have to require co-signers as assurance against default, making private loans out of reach for low-income borrowers who lack co-signers.

"Logically, if you're losing money on the one hand, you have to make up for it somewhere else," says Peter Warren, vice president of government relations for the Education Finance Council. "If you're taking on this increased risk, something has to give."

Steaks and Cadillacs

The debate over Senator Durbin's bill comes as more and more students are turning to private loans to cover the rising cost of a college education. In 1994, private loans made up only 5 percent of educational-loan volume. Today they make up roughly 20 percent, according to the College Board. Such loans almost invariably carry worse terms and conditions than loans backed by the federal government, with some carrying interest rates as high as 18 percent.

For most private-loan borrowers, the investment in a college degree pays off in increased earnings. But when debtors drop out before graduating, are unable to find work in their chosen field, or, like Mr. Konopasek, are hit with unexpected medical bills, they often struggle to make their loan payments. Those who default may find themselves hounded by collection agencies, receiving dozens of phone calls a day. Their wages can be garnisheed, and late fees may be added to their loan balance.

For such borrowers, the only way out is through bankruptcy court, where they must prove to a judge that repaying the loans would "impose an undue hardship" on them or their dependents. Courts have tended to interpret this standard very restrictively, and often reject appeals in cases where the borrower chose a low-paying profession, such as teaching or the ministry, says Deanne Loonin, a staff lawyer at the National Consumer Law Center.

In many cases, a borrower's success or failure comes down to luck: A 2005 study published in the *University of Cincinnati Law Review* found little statistical difference between filers who were granted a discharge and those who were denied one.

It wasn't always so difficult for borrowers to get relief from their student loans. Thirty years ago, educational debt was completely dischargeable through bankruptcy. But in 1976, spurred by a series of news articles about young doctors and lawyers who had used bankruptcy to escape their loan obligations, Congress passed a law that made it harder for borrowers to erase their federal student loans. At the time, the restrictions were seen as a way to safeguard the fledgling federal loan program against deadbeat debtors.

But there was little evidence, even then, that hordes of borrowers were abusing the system. While default rates in the 1970s were much higher than they are today, less than 1 percent of all educational loans made at the time were discharged through bankruptcy, according to a General Accounting Office report published in 1976.

Ms. Loonin says lawmakers conflated default rates and bankruptcy rates and overreacted to a handful of news articles.

"This really is a myth that took on a life of its own based on anecdotal media reports, much like the stories of welfare mothers driving Cadillacs and buying steaks," she said.

Lenders Divided

Private loans remained dischargeable until 2005, when Congress, at the urging of Sallie Mae and other for-profit lenders, added language to bankruptcy-reform legislation that made it just as difficult for

students to discharge private loans as federal loans. At the time, lenders argued that the change would enable them to make private loans to borrowers with lower credit scores.

It is unclear whether that has occurred, since lenders rarely disclose their underwriting criteria. But one recent analysis suggests that Sallie Mae, at least, is not lending to riskier borrowers today than it was two years ago. The study, by Mark Kantrowitz, the publisher of FinAid, a Web site about student aid, found that only 7.5 percent of Sallie Mae's private-loan borrowers had credit scores equal to or below 650 (on a scale of 300 to 850) before the law was enacted, and only 7.7 percent did afterward. The average weighted score both before and after the change was 718. Anything over 700 is considered a good credit score.

Sallie Mae officials say they are not fighting Senator Durbin's bill, and an aide to the lawmaker said that several large lenders have signed off on the legislation, including JP Morgan Chase & Company, Wells Fargo, and Citibank. J.C. Flowers & Company, a private equity firm that will become the majority owner of Sallie Mae if a \$25-billion buyout deal goes through, has also given the bill the go-ahead, the aide said.

John Dean, special counsel to the Consumer Bankers Association, said that many for-profit lenders continue to believe that the changes made in 2005 made private loans cheaper and more widely available. But he said the industry was not fighting efforts to undo those changes "because doing so would be misinterpreted by some as working against the interest of borrowers."

Instead, he said, for-profit lenders were working with Mr. Durbin "to craft a workable amendment." To make his measure more palatable to lenders, Mr. Durbin agreed to limit it to loans made after the enactment date and to require borrowers who file for bankruptcy to wait five years before discharging their loans.

But nonprofit lenders, who have been protected from bankruptcy discharges for more than two decades, oppose the bill. That's because in addition to reversing the 2005 changes in bankruptcy law, the bill would repeal an exception added to the law in 1984 for loans made under any program "funded in whole or in part" by a nonprofit institution. An aide to Mr. Durbin said that the senator was trying to discourage for-profit lenders from setting up "shell nonprofit entities" and running their lending through that shell.

Jamie M. Wolfe, chief financial officer of NorthStar, a nonprofit lender based in St. Paul, Minn., said his "gut reaction" to the change was that "we will need a lot more creditworthy co-signers to be able to make loans -- especially when the dust settles from the current subprime mortgage mess."

Uncertain Outlook

Other groups have also voiced concerns about the bill. The American Securitization Forum, which represents various players in the securitization industry, says making private loans dischargeable could dampen the market for student-loan asset-backed securities and drive up the cost of future deals. In securitization, banks bundle student loans, transfer them to trusts, and sell securities in the trusts with the loans as collateral. The process allows lenders to transfer some of the risk of making loans to investors, who in turn profit if the loan repayments exceed the asset's purchase price.

Another trade group, the American Bankers Association, says it is reluctant to reopen federal bankruptcy law to another round of revisions, particularly since Congress just finished updating the law in 2005. That process took four years and was highly contentious.

"Once anything dealing with bankruptcy is on the Senate floor as a stand-alone bill, it can become a magnet for all sorts of bankruptcy amendments dealing with credit cards, mortgages, anything," says Philip S. Corwin, counsel to the association.

One way lawmakers could prevent that from happening would be to attach Senator Durbin's bill to legislation already moving through Congress. An aide to Mr. Durbin said the senator was looking for an appropriate bill to serve as a vehicle for getting his measure through.

But it is unclear how aggressively Mr. Durbin, the Senate's assistant majority leader, will push his bill. He has already passed up an opportunity to attach his bill to the Senate's reauthorization of the Higher Education Act, opting instead to offer an amendment to expand loan forgiveness for public prosecutors and defenders, and some supporters of the bill say privately that they fear the senator may be quietly abandoning it.

If Mr. Durbin does decide to push the bill, his biggest challenge may be changing his colleagues' perceptions of bankruptcy filers. Thirty years after Congress made federal student loans nondischargeable, many lawmakers continue to see bankruptcy not as a "safety net for honest but unfortunate debtors" but as a "financial planning tool" for unscrupulous debtors seeking a free ride, Ms. Loonin said.

Alan Collinge, founder of StudentLoanJustice.org, an advocacy group for borrowers, knows firsthand how hard it can be to sell bankruptcy reform to Congress. He recently crossed the country in a motor home, speaking to the staffs of 60 out of 70 Congressional education-committee members about restoring consumer protections to student loans. "They sounded receptive" when he spoke to them, he says, "but at the end of the day, it doesn't appear that they were really taking the issue seriously."

"It seems like it was kind of a waste of gas and five flat tires," he said.

Meanwhile, Mr. Konopasek is still struggling to make ends meet. While he makes \$50,000 a year now as an account manager for a Boston financial-services firm, he says it is barely enough to cover his private student-loan payment and the cost of housing in South Boston. He has no savings, he is living in a group house with four college students, and he says he stays up most nights worrying about how he will pay off his student loans. He says that if he were able to discharge his private student loans through a second bankruptcy declaration, he would do so "in a heartbeat."

"You grow up with everyone telling you you need to go to college, it's a good investment," he said. "It is a good investment, but at what cost?"

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Fitch Ratings Upgrades and Affirms Sallie Mae's Private Credit Student Loan ABS Ratings



Sallie Mae logo. (PRNewsFoto/Sallie Mae) (Newscom TagID: prnphotos052857)

RESTON, VA UNITED STATES

RESTON, Va., Sept. 14 /PRNewswire-FirstCall/ -- SLM Corporation (NYSE: SLM), commonly known as Sallie Mae and the nation's leading saving- and paying-for-college company, today announced that Fitch Ratings, a leading global rating agency serving the world's credit markets, has upgraded 12 classes and affirmed 55 classes of Sallie Mae's private student loan asset-backed notes.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20030617/SLMLOGO-a>)

The collateral securing the notes are private student loans originated to undergraduate, graduate and professional students under Sallie Mae's Signature Student Loan, LAWLOANS, MBA LOANS and EXCEL programs.

"Overall, the collateral performance of the SLM private student loans financed by the various trusts has been consistent with or better than Fitch's expectations from a net loss perspective," Fitch Ratings stated in a press release announcing the news.

The agency stated that the upgrades and affirmations of Sallie Mae's private student loan asset-backed notes "are based on the quality and performance of the private loan collateral, the credit enhancement provided, and the sound legal structure."

Fitch's rating definitions and the terms of use of such ratings are available online at <http://www.fitchratings.com>. Fitch Ratings is a leading global rating agency committed to providing the world's credit markets with independent, timely and prospective credit opinions. Built on a foundation of organic growth and strategic acquisitions, Fitch Ratings has grown rapidly during the past decade gaining market presence throughout the world and across all fixed income markets.

SLM Corporation (NYSE: [SLM](#)), commonly known as Sallie Mae, is the nation's leading provider of saving- and paying-for-college programs. The company manages \$153 billion in education loans and serves nearly 10 million student and parent customers. Through its Upromise affiliates, the company also manages \$18 billion in 529 college-savings plans, and 8 million members have joined Upromise to help save for college with rewards on purchases at nearly 70,000 places. 529 college savings plans are municipal securities and are offered through Upromise Investments, Inc. The value of units will vary with market conditions and are not government or FDIC insured. Upromise is a registered service mark of Upromise, Inc. Sallie Mae and its subsidiaries offer debt management services as well as business and technical products to a range of business clients, including higher education institutions, student loan guarantors and state and federal agencies. More information is available at <http://www.salliemae.com>. SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

Advertisement



Sept. 20

The Hidden Access Crisis

By [John B. Simpson](#)

As some 17 million college students begin fall semester, “access” is front and center on people’s minds. Countless reports and commentaries argue that spiraling tuition is making college less affordable, particularly citing costs in our public universities, and therefore limiting access for qualified applicants. Affordability is an important concern, to be sure.

But with so much attention drawn to college access or, more accurately, *financial* access, a broader, more insidious problem — let’s call it *educational* access — lingers in the shadows, garnering less discussion. Preserving our nation’s civic and economic health requires us to recognize, and then address, this hidden crisis.

The cost of college is significant for many students and families. Education officials understand this, and are working to make sufficient aid available. Even so, for the vast majority of students, the sacrifice will pay off handsomely. Notwithstanding the substantial societal benefits of an educated citizenry, college graduates themselves will earn 70 percent more, on average, than high school graduates, and generally enjoy better health outcomes and connections to supportive communities.

Despite these benefits, far too many students graduate high school unprepared for higher education, and a startling number simply don’t graduate from high school at all. For these students, financial affordability is not a genuine barrier to college; no amount of financial aid and remedial help will make up for the inadequacy of the skills and experience needed to benefit fully from postsecondary education.

How do we know the system is in bad repair? High school on-time graduation rates — hovering below 70 percent nationwide — have been stagnant for two decades. And according to the National Center for Higher Education Management Systems, for every 100 young people who enter 9th grade, less than one-fifth will receive either an associate or bachelor’s degree within 150 percent of the expected time.

Numbers are far worse for students from underrepresented minorities. Only 7 percent of Hispanic men and 15 percent of African-American men earn a college degree by age 29, as compared to the national average of over 28 percent. Today, only 8 percent of all students from families in the bottom quarter of income will ever get a four-year degree, whereas the top quartile sees a 75 percent college graduation rate.

Aside from the cost to individuals, it’s not clear we have begun to acknowledge the societal cost of this crisis, or appreciate how the United States, already short on the knowledge workers that drive today’s

economy, will compete globally when roughly one-third of our students don't even earn a traditional high school diploma. We must, because if the trend persists, our national prosperity is in peril.

Ideally, college should be part of an education continuum, a "pipeline" that begins in childhood. In many of our nation's public schools, however, the pipeline is broken. Success will come only when all education sectors advance a common mission to prepare young people for citizenship and economic success, and then build a seamless pipeline to take them there.

One piece of a solution is for institutions of higher education — especially our public universities, where service to the community is part of the mission — to work with educators to strengthen the pre-K-16 pipeline. There are, as well, important roles for the private sector and community organizations. A positive first step, for example, could be a landmark national summit that convenes leaders from all of these groups to define the crisis and agree on action steps for addressing it.

In America, public education is intended to be the great leveler. But that promise remains far from fulfilled, especially for some of our most vulnerable populations. Considering the importance of education to economic success in the 21st century, our country needs urgent attention to this pervasive issue.

If an affliction were as widespread in our society as the persistence of low educational attainment, public health officials would consider it an epidemic. Collectively, we would call on communities, government agencies, academia, and the private sector to collaborate on a solution to the crisis. But the education deficit is widespread and defies simple solutions. "Casualties" of this epidemic rarely have a voice in the public debate. A [recent report](#) by the Bill & Melinda Gates Foundation termed this the "silent epidemic."

Once we acknowledge the size and impact of the epidemic, though, we cannot remain silent. It is impossible to maintain the economic and civic health of our society while we tolerate the creation of educational haves and have-nots. By making *educational access* to college every bit as important as *financial access*, our society has the potential, and the moral obligation, to fulfill the promise of a quality education for all.

John B. Simpson is president of the University at Buffalo, State University of New York, and is a member of Gov. Eliot Spitzer's New York State Commission on Higher Education.

*The original story and user comments can be viewed online at
<http://insidehighered.com/views/2007/09/20/simpson>.*

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Education

From Combat to the Campus

A new program helps recently wounded soldiers attend college

By Alex Kingsbury

Posted September 16, 2007

Brendan Hart took a few community college courses before joining the Marine Corps in 2003 and always planned to go back to school to study history. Assigned to one of the Corps's elite fleet antiterrorism security teams, Hart, 25, was stationed in Bahrain in May 2005 when something went wrong: His body reacted unexpectedly to a smallpox vaccination, and Hart slipped into anaphylactic shock. "Then my condition got drastically worse," he says. The Marines shipped him to Walter Reed Army Medical Center in Washington, D.C., for treatment, but a series of complications confined Hart to crutches or a wheelchair. The war was over for Hart, so he turned his attention back to dreams of a college sheepskin.



Former marine Brendan Hart is heading to Dartmouth College this fall, thanks to the new program.
(Nina Berman/Redux for USN&WR)

The military is many things, but a college counselor is not typically one of them. Sure, about 270,000 veterans are currently using the benefits of the Montgomery gi Bill to attend college. But if soldiers are wounded or discharged from the military, they can lose access to active-duty perks like educational counseling. A new program run by an education-oriented nonprofit organization is working to change that.

Ivybound. Hart was taking a few classes at the University of Maryland when he learned about the American Council on Education's new pilot program for wounded vets, currently running at Walter Reed Army Medical Center, National Naval Medical Center in Bethesda, Md., and Brooke Army Medical Center in Texas. Since it began in April, the program, which offers college counseling, tutoring advice, and mentoring, has helped 50 wounded vets enroll in college and provided similar academic

help to 100 more. Through this pilot program, Hart applied and was accepted to Dartmouth College, where he'll begin classes later this month.

The ACE program, funded through more than \$300,000 in private donations, could ease the transition into higher education for veterans, especially those who weren't on the road to college before they enlisted. "Veterans are not your cookie-cutter, high-achieving high school students," says Hart. Compared with traditional first-year college students, veterans are more likely to have earned average grades in high school and have been out of school for several years.

Then there's the cultural chasm that separates soldiers from students. In recent years, the military and higher education have been at odds. It took a Supreme Court ruling last year, for example, to force some colleges to allow military recruiters on campus. For wounded vets, that gap can be even more difficult to bridge. Once on campus, they may need psychological and medical treatment in addition to academic support. Corey Smith, 20, was injured in a mortar attack in Iraq last year and lost his leg below the knee. Confined to a hospital, Smith decided that he wanted to pursue a degree in justice studies. "I just didn't know where to begin," he says. The ace pilot program found him a math tutor, signed him up for the act, and helped him through the application process to Kent State. He is currently a freshman there and says the school seems able to accommodate his needs.

Many college admissions offices, in fact, say they would like to see more students with the real-world experiences that veterans carry. At least 32 states this year have considered new veteran education benefits, while 11 states have signed new programs into law. Services for vets also vary greatly by school. Mississippi State, for example, has one of the country's largest veterans services programs, with about 400 vets on campus. "I think of it as a halfway house for veterans coming back from the war and getting reacclimated to civilian and academic life," says Doc Foglesong, president of the school and a retired Air Force general. "It benefits the college, too," says James Wright, president of Dartmouth and a former marine. "A student who has a gunshot wound from a battle in Fallujah is going to bring something intangible to any classroom discussion."

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College Planning Center Earns National Seal of Approval

Concord, NH- The NHHEAF Network Organizations' Center for College Planning (CCP) has earned the National Association of College Admission Counseling (NACAC) Seal of Approval. The mission of NACAC is to support and advance all counseling and enrollment professionals and programs that have dedicated time and effort to helping students realize their educational aspirations.

CCP has become part of an elite group recognized by NACAC each year. CCP has grown tremendously since its inception; providing students statewide with valuable information about the college planning process. The CCP College Outreach Specialists make hundreds of presentations for thousands of students each year. Families can also meet with college counselors in person at the College Planning Library located in Concord. CCP is well-known for its many programs and informational materials created to educate students, of all ages and backgrounds, on the importance of a college education. CCP coordinates special events throughout the state of New Hampshire, including planning workshops at schools, financial aid nights, Discover U and Destination College. CCP also has created several websites to assist families including a scholarship database, www.nh93.com, an early awareness site, www.nhcollegeclub.com and askjoecollege.com, a Q & A e-column for students. "We are honored that CCP has received the NACAC Seal of Approval," said Tara Payne, Vice President of Marketing & Communications at the NHHEAF Network Organizations. "This only confirms that we are meeting our mission of promoting higher education in New Hampshire and providing students the avenues they need to achieve their personal, career and life goals."

NACAC is a national foundation created in 1937 and includes 9800 professionals worldwide. Each year they recognize products and services that meet the utility, accessibility and integrity standards upheld in their mission. Their goal is to assist students and families in finding valuable and reliable college admission counseling resources. The Seal of Approval will now be featured on informational materials created by CCP. To view the CCP calendar of events or to make an appointment with a college counselor, students and parents can call CCP at 800-525-2577 x119 or visit www.nhheaf.org.

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The NHHEAF Network Organizations are comprised of four nonprofit corporations dedicated to helping New Hampshire students and families plan for and fund higher education. As a guarantor, lender and servicer of student loans, the Organizations are consistently recognized for providing outstanding service before, during and after the college experience. The NHHEAF Network Education Foundation administers the charitable giving programs of the Organizations. Since their inception, the Organizations have made the higher education dreams of more than 270,000 students a reality. To learn more visit www.nhheaf.org or contact us at 1-800-525-2577.