

and then, after I vetoed them, to load up the spending bills with hundreds of millions of dollars in special interest projects. In one appropriations bill alone, there is \$668 million in extra projects. That's enough to do emergency repairs in 2,500 schools, to send another one million children to after-school programs, to hire over 15,000 teachers to lower class size.

Not long ago, Senator McCain said porkbarrel spending, and I quote, "has lurched completely out of control." Well, it's time to turn off the porkbarrel spigot and deliver for our children's future.

That's why I've told my budget team to seek final negotiations on an education budget that stays true to our values and our children's long-term needs. We're not going to leave the table until we invest in modernizing our schools and continue our efforts to hire 100,000 quality teachers for smaller classes. We're going to keep

fighting to strengthen accountability, to turn around failing schools or shut them down or put them under new management, to expand after-school programs and college opportunities for young people, and to ensure a qualified teacher in every classroom. Our children deserve 21st century schools.

In this time of prosperity, we have a responsibility to make sure they get no less. By building stronger schools, we'll build a stronger America in the future.

Thanks for listening.

NOTE: The address was recorded at 5:48 p.m. on September 29 in the Oval Office at the White House for broadcast at 10:06 a.m. on September 30. The transcript was made available by the Office of the Press Secretary on September 29 but was embargoed for release until the broadcast.

## Remarks on College Financial Assistance October 2, 2000

Give her another hand. Wasn't she great? [Applause] Good job. Thank you. You know, I thought I'd be having withdrawal today, after the Olympics—[laughter]—and I was wondering what I would do for an encore, and the answer was, meet Raquel. [Laughter] Thank you very much for being here and for your example.

And Secretary Riley, to you and to all these wonderful people at the Department of Education, I thank you for the astonishing work you've done on the student loan program and on student assistance, generally.

When I ran for President in 1991, late 1991 and 1992, I talked a lot about redoing the student loan program and increasing access to financial assistance through grants, work study, tax credits, and an improved student loan program. I'll never forget one night; it was about 1990, I think. I was then serving as Governor of my home State, and I was up in Fayetteville, Arkansas, which is the home of the University of Arkansas, and a friend of mine and I went out to a coffee shop to have a cup of coffee. And I did what I always do; I went around and shook hands with everybody at all the tables in there. [Laughter] And there were three young

students there having coffee, so I sat down and started talking to them. Two of them were planning to drop out of school. They were already in college—I'll never forget this. And I asked them why in the world they would do that, given the fact that the economy that they would live in for their adult lives put a higher premium on education than ever before. And both of them said they had to go ahead and get out and work for a couple of years because they knew they could not meet their student loan repayment schedule. And they didn't want to take the money and not be able to pay it back. And it had a searing impact on me. So I said, "Surely, these people are the exception to the rule," so I started nosing around and come to find out there were a lot of people like this. And that's basically how we got into the idea of the direct student loan with the option to repay as a percentage of your income.

I also found a lot of young people who wanted to be teachers, like Raquel, or police officers or nurses, who instead were taking jobs that they found less rewarding but paid more money so they could meet their loan repayment schedule.

The background to all these things that we're going to talk about here in a minute, for me at least, came alive through the stories of young people I met. And then when I went around the country in 1992, I met more and more and more of them. So, Raquel, I'm grateful to you, but I'm also grateful to all those young people, many whose names I don't even know, who took the time to share their stories and tell me about the personal challenges they faced. And it was very important to me because I never could have gotten through college and law school without loans and grants and jobs. And I wanted everybody else to have those opportunities, as well.

Now, one of the big problems we faced in 1993, when I took office, is that the student loan program itself was in danger because its credibility, its very financial underpinnings were threatened by a very high default rate. Nearly one in four students was failing, for a variety of reasons, to repay their student loans. And yet, again I say, we all knew that we needed more people going on to college, not fewer people. So the trick was how to figure out how to get more people to go to college and do a better job of collecting on the student loans and get people to be more responsible in discharging their student loans.

Since 1993, as Secretary Riley said, we have more than doubled our investment in student aid. We've increased Pell grants; expanded work-study slots from 700,000 to a million; created AmeriCorps, which has now given more than 150,000 young people a chance to earn money for college while serving in our communities; created education IRA's, the \$1,500 HOPE scholarship tax credit for the first 2 years of college, and then a lifelong learning credit for the junior and senior years and for graduate school. More than 5 million families already have taken advantage of the HOPE scholarship tax credit in '98 and '99. We made it easier and cheaper to get loans and for students now to pay them back as a percentage of their future income, and you heard Raquel talking about that.

The Direct Student Loan Program we started, also by fostering competition, have saved students more than \$9 billion in loan repayment costs, just from lower interest rates alone. Taken together, these actions amount to the largest increases in college access and opportunity since the passage of the GI bill after World War II.

And we can now say to every student in America, "The money is there. You can actually go on to college." This is profoundly important.

Students are getting the message; two-thirds of them are now going to college. That's up more than 10 percent over the last few years. We have also tried, as I said, to increase responsibility for repaying these loans. Otherwise, the whole thing would be undermined over the long run. And here's what the Department of Education did, and again, it's just another example of Secretary Riley's sterling leadership and the great qualities of the people there. But here's what they essentially did to reduce the student loan default rate.

First, identified more than 800 schools with consistently high default rates that were obviously not serving their students, and they were eliminated from the program.

Second, more flexible repayment schedules were offered. Students no longer have to default on their loans simply because they're going through a period in their lives where they don't have all the resources they need to make full repayments.

Third, we slashed the cost of the loans, themselves, so it's more affordable to pay them back. A typical \$10,000 student loan today costs \$1,300 less in fees and interest costs than it did 8 years ago. That's astonishing—\$1,300 less on a \$10,000 loan. I guess that sort of explains why some people thought our attempts to establish this program so—[laughter]—that \$1,300 was going somewhere. [Laughter]

Fourth, students are borrowing less than they otherwise would have because of the increases in Pell grants, HOPE scholarships, and other tax credits, and the work-study aid and other student aid. And finally, of course, a stronger economy has made it easier for students to repay their loans.

But listen to this. Thanks to all these factors, today, the student loan default rate has been cut by two-thirds—actually, more than two-thirds. When I took office, the default rate was 22.4 percent; today, it is 6.9 percent. Here's a really impressive thing: This is the lowest default rate in the history of the student loan program, and it has been achieved while tripling the number of loans given every year. Normally, you think if you give more loans, you'll be loaning more at the margin of risk. This is an astonishing achievement. And Secretary Riley, you

should be very proud. I thank your whole team. This is an amazing, amazing thing.

By cutting defaults, increasing collections, and making the system more competitive, we have saved taxpayers and students—the students have saved \$9 billion, and the taxpayers have saved twice that much, \$18 billion, because of the reduction in student loan defaults since 1993. That is very good news for the American people, a total of \$27 billion in savings.

Let me say that this lesson—invest more and have more accountability and have the programs work based on how the real world, the real lives of these students is unfolding—that's the kind of thing I think we ought to do in education generally. And I'd like to say just a few words about the education budget and priorities now pending before the Congress.

For more than 7 years, we've tried to invest more in our schools, in more teachers, smaller classes, more Head Start, more after-school and summer school programs, hooking up 95 percent of the schools to the Internet. We've also demanded more from our schools: higher standards, more accountability for results, more responsibility for turning around failing schools. Secretary Riley points out when we took office, there were only about 14 States with real standards and a core curriculum. Today, there are 49 States. And we got a change in the Federal law to require the States to identify their failing schools and have strategies to turn them around.

We wanted to go further, in terms of the standards for the tests that the students take, through the nonpartisan national association for student testing, called NAGB. And we also would like to pass legislation that requires States to turn around the failing schools in a fixed amount of time or shut them down or put them under new management.

But we have made a lot of progress. Math and reading scores are rising across America—some of the greatest gains in some of the most disadvantaged schools. The number of students taking advanced placement courses has risen by two-thirds in 8 years: among Hispanic students, by about 300 percent; among African-American students, by about 500 percent—taking advance placement courses. College entrance exam scores are rising, even as more students from more disadvantaged backgrounds take the test. That is not an education recession; that is an education revival.

But on the other hand, no serious person believes that American education is where it ought to be. We have the largest and most diverse student body in the history of our country. We have what is immensely frustrating to me, which is evidence that every problem in American education has been solved by somebody, somewhere, but we have still, after almost 20 years of serious effort in education reform, not succeeded in institutionalizing what works in one or two schools right across a school district or right across a State.

So there are lots and lots of challenges still out there. And what I believe we should be doing is to emphasize further changes in the direction we have been moving. We need more investment, and we need more accountability. And we need to understand the central importance of teachers, of principals, of modern facilities, and of genuine, effective accountability systems.

Now, that's my problem with the present congressional budget. The majority in Congress is pushing a budget that would neither increase investment or accountability. It abandons the bipartisan commitment we made just last year to hire 100,000 new highly qualified teachers to reduce class size in the early grades. It fails to guarantee investments in building or modernizing classrooms, when we know that the construction and repair deficit in America's classrooms is over \$120 billion today. It shortchanges investment in after-school programs, in improving teacher quality, in our efforts to turn around schools or shut them down or reopen them under new management.

Even though they claim to be for accountability, the one proven strategy we've gotten that I've seen over and over and over work—from small rural schools in Kentucky to urban schools in California and New York and Ohio—a strategy to identify the schools, turn them around, shut them down, or put them under new management, they failed to support this strategy.

It underfunds our GEAR UP program to get disadvantaged students focused on and prepared for college. It fails to give hard-pressed middle class families a \$10,000 tax deduction for college tuition, which they desperately need.

Now, we've got a \$230 billion surplus, folks. This Congress voted to get rid of the estate tax, to give a \$6.5 million tax break to some Americans. They voted for a marriage penalty

relief that didn't just relieve the marriage penalty but gave other upper income Americans huge tax breaks. The least we can do is adequately invest in education. More Americans will make more money, including already wealthy Americans, by having an educated work force in this country, than by anything we can do in giving specialized tax cuts. And we ought to do it and do it now.

We have evidence that, if you invest more and demand more, you can turn the schools around, improve student achievement, get more of our young people going to college, and, as we've seen today in stunning fashion, make the student loan program work better for more students and for the American taxpayers, as well.

This is worth fighting for. We now have lots and lots of evidence that if we invest more, and do it in an intelligent way, we can produce real results for the American people. There is no more powerful example than what Secretary Riley and the Department of Education, along with people that have worked with them throughout the country, in college and university

after college and university, and more responsible, active students, have done to turn this student loan program around.

Now, it will be available for more and more and more students, and it will do more good for more and more and more students. We need more stories like Raquel Talley's. We need more young people like her, who want to give their lives to the education of our children. And we ought to do whatever is necessary to make sure, number one, they can go to college, get out, and succeed, and number two, when someone like her goes in the classroom, the rest of us do whatever we can to make sure she succeeds in the classroom, as well.

Thank you very much.

NOTE: The President spoke at 11:05 a.m. in Presidential Hall in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Raquel Talley, student loan recipient who introduced the President; and NAGB, the National Assessment Governing Board.

## Remarks Prior to a Meeting With Congressional and Religious Leaders and an Exchange With Reporters

October 2, 2000

### *Debt Relief for Poor Countries*

*The President.* Just before you all came in, I looked around this table and I said, "I imagine this is the most amazing group of Americans who has gathered together here in this room since Theodore Roosevelt inaugurated it in 1902." And I thank them all for coming. I think it shows you the depth and breadth of commitment of congressional, religious, and civic leaders to convince Congress to appropriate the entire \$435 million that we pledged in debt relief to the world's poorest countries and to authorize the International Monetary Fund to do its share, as well.

It's not often we have a chance to do something that economists tell us is the financial imperative and religious leaders say is a moral imperative. It's not often that we find an issue that puts John Kasich and Maxine Waters on the same side, economists and evangelicals in

the same room. All of us feel a common obligation to do the right thing.

In the most indebted countries, one in ten children dies before his or her first birthday; one in three is malnourished; the average adult has only 3 years of schooling. This is a terrible omen for our shared future on this planet, and it is wrong.

More than a year ago, religious leaders organized a very successful global campaign for debt relief. It touched many of us here today and generated strong bipartisan support in the Congress. The United States developed a plan with other creditor nations to triple debt relief available to the world's poorest nations, provided they agreed to put the savings from debt payments into health and education. Here are the results so far.

Last year Bolivia saved \$77 million and spent it on health and education. Uganda used its savings to double its primary school enrollment.