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Senate

(Legislative day of Wednesday, October 18, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and Lord of our lives, our purpose is to glorify You by serving our Nation. We want to express an energetic earnestness about our work today. Help us to know what You want and then want what we know; to say what we mean, and mean what we say. Give us resoluteness and intentionality. Free us to listen to You so intently that we can speak with intrepidity. Keep us in the battle for truth rather than ego-skirmishes over secondary issues. Make us party to Your plans so we can give leadership to our parties and then help our parties to work together to accomplish Your purposes. Make us one in the earnestness of our patriotism.

Thank You for calling this Senate family to be a caring community in which we share each other's joys and sorrows. Today, we ask for Your strength and comfort for Senator CHARLES ROBB now at the time of the death of his father. Help us all to live today with an assurance that this life is but an inch on the limitless measurement of eternity. In the name of the Resurrection and the Life. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Kansas is recognized.

SCHEDULE

Mrs. KASSEBAUM. Mr. President, today, there will be a period for morning business until the hour of 10:30 a.m.

At 10:30, the Senate will resume consideration of H.R. 927, the Cuba sanctions bill, with Senator DODD to be recognized to offer his two amendments. The only remaining amendment in order to the bill is the Simon amendment No. 2934, which has a 20-minute time limitation.

Therefore, it is expected that the Senate will complete action on the bill early this afternoon.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. COATS). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under that previous order, the Senator from Kansas [Mrs. KASSEBAUM] is recognized to speak for up to 10 minutes.

Mr. WELLSTONE. Will the Senator yield for a moment?

Mrs. KASSEBAUM. Yes.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I might be granted 10 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Kansas is recognized.

STUDENT LOANS AND BUDGET RECONCILIATION

Mrs. KASSEBAUM. Mr. President, the other evening, the majority leader, Senator DOLE, spoke about the opportunities which the GI bill provided to thousands of Americans following World War II. Enactment of the GI bill in 1944 marked the beginning of Federal efforts to open the door to postsecondary education for individuals

who would otherwise be unable to attend. Over the past 50 years, the scope and variety of Federal student aid programs have expanded considerably. Today, any student in need of financial help can obtain it.

My reason for addressing the Senate now is to dispel the notion that, somehow, all this will change if Congress enacts student loan changes as part of the budget reconciliation bill. Unfortunately, misconceptions about this legislation are widespread, and I believe it is important to set the record straight.

A few weeks ago, the Senate Committee on Labor and Human Resources reported its portion of this legislation, providing Federal student loan savings of \$10.85 billion over 7 years. Because the Federal student loan program is one of the few mandatory spending programs under the jurisdiction of the Labor and Human Resources Committee, it was the only place we had to turn in order to comply with our instruction.

Granted, \$10.85 billion is a substantial sum over 7 years. However, to hear some describe our package, one would assume that it spells the end of higher education as we know it. Mr. President, that is simply not the case.

Federal student loan programs were established to assist students and their parents in financing postsecondary education. These programs have been successful in achieving that goal. Approximately \$26 billion in loan funds have been made available this year. The figure will grow next year. Even if the Labor Committee package is approved intact, that volume will grow.

The reason is that the savings in this package were achieved without restricting a student's ability to borrow. In short, there is nothing in the package which limits the amount of loan funds available. Loans will continue to be available to all who qualify. There is nothing in the package which limits the ability of a student to qualify for a

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Federal loan. The rules are exactly the same as they have been.

There is nothing in the package which increases the cost of the loan to a student who is in school. The only direct cost to students included in the package applies to new borrowers after they leave school. At that point, they will continue to be able to defer loan payments for 6 months—the so-called grace period—but the Federal Government will no longer subsidize interest payments during that period of time.

That, I believe, Mr. President, is reasonable. This package was developed with the clear intention of minimizing costs to students. I believe that purpose was accomplished. It is, therefore, particularly disturbing to me that students and their families are being intentionally misled about the impact of the proposed changes. I fear that this misinformation will discourage some students from even exploring postsecondary education, and that, I believe, would be a real tragedy.

I would like to explain briefly how the \$10.85 billion in savings is achieved. First of all, about \$4 billion of the savings comes from reductions to entities involved in the guaranteed loan program, such as banks and guaranty agencies.

The elimination for new borrowers of the interest subsidy during the 6-month grace period achieves about \$2.7 billion in savings over that 7-year period. This change would mean an extra \$1.89 a month for an undergraduate who borrows \$5,500 in 1 year. At most, it would mean an additional \$22.50 a month for a graduate student who has borrowed the \$65,000 maximum through his or her college career.

Capping the direct loan program at 20 percent of loan volume produces about \$1.5 billion in savings. Additional savings are achieved through the elimination of fees paid to schools and alternative originators for direct loan administration. Whatever one may believe about the merits or demerits of direct lending, the fact remains that the way a loan is delivered has absolutely nothing to do with the ability of students to borrow or with the amounts they may borrow. The terms and conditions of direct loans are identical to those of guaranteed loans. There is no difference to the students at that juncture. To suggest that paring back the direct loan program will deprive students of loan funds or make those funds more expensive is plainly inaccurate. The one advantage, at this point, of direct loans and direct lending is that it makes a loan available immediately.

It does expedite the process of obtaining a loan by a student. As far as any difference in the loans being more expensive, that is certainly not the case.

The package also calls upon postsecondary education institutions to participate in achieving savings by imposing a fee equal to 0.85 percent of the amount of Federal loans made avail-

able to their students. This proposal produces about \$1.9 billion over 7 years.

Some have argued that these costs will be passed directly on to the students rather than being absorbed through the efficiencies in other school operations. Perhaps that will be the case. Even if the entire cost is passed on to the student, it would amount to an average of \$20 to \$25 per student per year. That is at the high end. Others would be about \$11 to \$12 to \$13 per year.

Finally, approximately \$700 million in savings is achieved by increasing the interest rate and the interest rate cap on parent loans.

When one looks beyond the hype to see the facts, Mr. President, it is clear that this reconciliation package does not spell disaster for secondary education in this country. Blaming a Republican Congress for reducing access to postsecondary education by increasing its costs may be convenient, but it does not explain away the fact that college tuitions have been growing at a rate surpassing inflation for well over a decade. That is what has caused such enormous problems for students and their families, is the escalating cost of college education due to increased tuition.

Figures recently released by the college board show an average tuition increase this year of 6 percent, more than double the inflation rate. Average tuition in fees at a 4-year public institution are \$2,860. For a 4-year private institution, these costs average \$12,432.

Mr. President, another 6-percent increase in those amounts next year would mean an additional per-student cost ranging from \$171 to \$745, presenting far more serious problems for students and their families than anything in this reconciliation package.

Federal student aid is simply not going to be able to pick up the slack in such an environment, nor is that a role for which it was intended. That is what I think we need to understand, Mr. President.

There is not anything in the reconciliation package regarding student loans that I suppose we would be comfortable with. On the other hand, it is not the tragedy that is being portrayed. I think it is very important that students and their families understand that.

No one relishes the task of cutting back. It is much easier to build upon the expensive policies that have brought us to our current budget problems in the first place. However, one can prune the branches without killing the tree. It is a disservice to the American taxpayers to suggest otherwise.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous unanimous consent, the Senator from Minnesota is recognized.

Mrs. KASSEBAUM. I wonder if the Senator from Minnesota would yield for a few moments for some unanimous-consent requests.

Mr. WELLSTONE. I am happy to yield to the Senator.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION APPROPRIATIONS AUTHORIZATION, FISCAL YEAR 1996

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 204, S. 1048.

The PRESIDING OFFICER. The clerk will report. The legislative clerk read as follows:

A bill (S. 1048) to authorize appropriations for fiscal year 1996 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and inspector general; and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, Fiscal Year 1996".

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration;

(2) the term "NASA" means the National Aeronautics and Space Administration; and

(3) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SEC. 101. HUMAN SPACE FLIGHT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Human Space Flight the following amounts, to become available October 1, 1995:

(1) *Space Station, \$1,818,800,000.*

(2) *Russian Cooperation, \$129,200,000.*

(3) *Space Shuttle, \$3,031,800,000.*

(4) *Payload and Utilization Operations, \$293,000,000.*

SEC. 102. SCIENCE, AERONAUTICS, AND TECHNOLOGY.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Science, Aeronautics, and Technology the following amounts, to become available October 1, 1995:

(1) *Space Science, \$1,958,900,000, of which \$48,700,000 shall be allocated to the Stratospheric Observatory for Infrared Astronomy, \$15,000,000 shall be allocated to the Space Infrared Telescope Facility, and \$30,000,000 shall be allocated to the New Millennium initiative.*

(2) *Life and Microgravity Sciences and Applications, \$507,000,000, of which \$3,000,000 shall be allocated for the construction of an addition to the Microgravity Development Laboratory, Marshall Space Flight Center.*

(3) *Mission to Planet Earth, \$1,360,100,000, of which \$17,000,000 shall be allocated to the construction of the Earth Systems Science Building, Goddard Space Flight Center.*

(4) *Aeronautical Research and Technology, \$891,300,000, of which \$5,400,000 shall be allocated to the modernization of the Unitary Plan Wind Tunnel Complex, Ames Research Center.*

(5) *Space Access and Technology, \$766,600,000, of which at least \$70,000,000 shall be allocated to support a shuttle flight for the Shuttle Imaging*