

AFFORDABILITY OF HIGHER
EDUCATION

Ms. MOSELEY-BRAUN. Madam President, yesterday some of my colleagues were debating the issue of student loans and performance of this Congress with regard to education. No issue is more central to our Nation's future and the 21st century than the availability and the accessibility of quality public education from kindergarten through college. The accessibility of higher education is threatened, Madam President, by the exploding cost of higher education, documented in a report released yesterday by the General Accounting Office.

The General Accounting Office, having studied the cost of tuition in 4-year public institutions of higher learning nationwide, documented that tuition has increased some 234 percent over the last 15 years. As a percentage of median household income, tuition has nearly doubled over the same period. In 14 States today, college tuition is more than 10 percent of median household income. In 30 States, it is more than 8 percent of household income. In all but one State, tuition as a percentage of household income is more than it was 15 years ago.

What this means is that access to higher education is getting more and more out of reach for working and middle-class Americans. What this means is that our country is suffering a kind of brain drain, driven by the escalating costs of higher education.

Madam President, that is exactly the wrong direction. By the year 2000, the Department of Labor estimates that more than half of all new jobs will require an education beyond high school. The cost of college has a direct impact on access to college. The more tuition goes up, the more students will be priced out of their opportunity for the American dream. Our country as a whole will suffer the loss of talent and of training. We cannot as a Nation prepare for the 21st century by making it more difficult now for our children to access higher education.

In the global economy, America must carve out the upper niche. We cannot and should not expect our workers to compete with 50-cents-a-day Third World labor. Our strength in the information-intensive 21st century will continue to be our people. Education is the key to that strength. Our community, our country as a whole, will benefit from a well-educated work force.

A quality public education has always given poor and middle-class Americans economic opportunities. The link between educational attainment and earnings is unquestionable. The average earnings of the most educated Americans is, today, 600 percent greater than that of the least educated Americans. As we move nearer to the 21st century and into an information-driven economy, the gap between high school and college graduates will grow. A college graduate in 1980 earned 43 percent more per hour than a high

school graduate. By 1994, that had increased to 73 percent. When we reduce access to higher education, we reduce access to the American dream and we create strains on our community and on our social compact from which we may have a very difficult time recovering, even into the next generation.

Madam President, we must improve the quality and the accessibility of education so that no American child gets a high school diploma without being able to read, subtract, add, or use a computer, and so that all Americans may have access to higher education, not just the wealthy elite. The rungs on the ladder of opportunity in America are crafted in the classroom. We cannot let higher education become so expensive that only a fraction of our society can afford it.

Unfortunately, the GAO has documented that is exactly the direction in which we are now heading. For a typical family with more than one child in school, in the States at the bottom of the affordability scale—and there is an affordability scale included in the report—the cost of college can easily consume 30 percent to 40 percent of that family's annual income. For families with several children who attend college, tuition can become the most significant expenditure and financial burden of a lifetime.

The 234-percent increase in tuition over the last 15 years compares, Madam President, to an 82-percent increase in median household income and a 74-percent increase in the Consumer Price Index. What that means is the cost of tuition is rising far in excess of the rises in the costs of other indicia of our economic well-being in this country.

Madam President, I know for a fact that I would not be able to be in the U.S. Senate today were it not for quality public education and the accessibility and the affordability of higher education. The Chicago public schools gave me a solid foundation, and I was then able to attend the University of Illinois and later the University of Chicago, in spite of the fact that my parents were working-class people. One can only imagine, Madam President, how many CAROL MOSELEY-BRAUNS, or the equivalent, of this generation did not have that opportunity. The exploding cost of college is closing the door of opportunity for them. I believe that our generation has an absolute duty to keep that door open and to preserve the American dream for the 21st century and for our children and for our community as a whole.

Finally, Madam President, I ask unanimous consent to have printed in the RECORD the GAO report so that Senators and private citizens who are interested in reading the report itself and exploring the methodology used by the General Accounting Office may do so.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
HEALTH, EDUCATION AND HUMAN
SERVICES DIVISION,

Washington, DC, September 19, 1996.

Hon. CAROL MOSELEY-BRAUN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: In August 1996, we reported that there is widespread concern about the increase in college tuition levels and that average tuition levels vary widely among the states.¹ In our earlier report, we showed that tuition were rising faster than college expenditures and that state funding and grant aid were not keeping pace with these costs.

Based on our report, you requested information on (1) the states' public 4-year colleges' and universities' average tuition as a percentage for median household income and (2) comparative increases in tuition at these schools from school year 1980-81 through 1995-96, with increases in other selected consumer prices and median household income during the same period.

To determine schools' average tuition as a percentage of median household income, we divided the average annual tuition for in-state undergraduate students of 4-year public colleges and universities for school year 1995-96 in each state by the state's median household income for calendar year 1994, the latest year for which such data were available. For our comparison of tuition price increase with changes in selected consumer prices and median household income, we used the consumer price index (CPI) and other information from the 1995 Statistical Abstract of the United States.

We conducted our review in August and September 1996 in accordance with generally accepted government auditing standards.

Results in brief

On a nationwide basis, our analysis shows that the average tuition (including related fees) for in-state undergraduate students of 4-year public colleges and universities for academic year 1995-96 was about 8.9 percent of median household income; however, there is a significant difference among the states. On one end of the spectrum, Hawaii's average tuition for the 1995-96 school year was less than 4 percent of median household income. In contrast, Vermont's average tuition for 4-year public colleges and universities was over 15 percent of median household income. In general we found that state differences are more closely associated with tuition prices than with income levels. That is, states in which the average tuition was a low percentage of median household income tended to be ones with low tuitions but not high incomes.

From school year 1980-81 through 1994-95, tuition charges at 4-year public colleges and universities for in-state undergraduate students increased nationally by 234 percent. In contrast, other consumer prices and household incomes increased at a much slower pace. Medical costs, for example, increased 182 percent, and consumer expenditures for new cars increased 160 percent. Household incomes rose 82 percent during the same period.

College tuition as a percentage of income varies widely among States

Our analysis showed that schools' average tuition as a percentage of median household income at 4-year public colleges and universities varies widely among the states. Schools in Hawaii, for example, were found to have tuition taking 3.61 percent of median

¹Higher Education: Tuition Increasing Faster Than Household Income and Public Colleges' Costs (GAO/HEHS-96-154, Aug. 15, 1996).

household income.² In contrast, 4-year public colleges and universities in Vermont had a higher ratio—tuition was 15.42 percent of income. The national average was 8.88 percent. Enclosure 1 shows the average tuition as a percentage of median household income for 4-year public colleges and universities in each state. This percentage tends to be higher in the Northeastern states.

In general, state differences in this percentage are more closely associated with tuition prices than with income levels. That is, states in which the average tuition was a low percentage of median household income tended to be ones with low tuitions but not high incomes. For example, of the 15 states with the lowest percentages, 13 were among the states with the lowest tuitions while only 5 of them were among the states with the highest incomes. At the other end of the spectrum, of the 15 states with the highest percentages, 11 were among the states with the highest tuitions but only 1 of them was among the states with the lowest incomes.

College tuition compared to selected consumer prices and household incomes

From school year 1980–81 through school year 1994–95, the average annual tuition at 4-year public colleges and universities for in-state undergraduate students increased from \$804 per year to 42,689, or 234 percent. Over approximately the same period, median household income increased by 82 percent, from \$17,710 in 1980 to \$32,264 in 1994. During this 15-year period, the prices and costs of other consumer goods also increased, but not as fast as the increases in tuition. For example, the average consumer expenditure for a new car went from \$7,754 in 1980 to \$19,676 in 1994, an increase of 160 percent.

Agency comments

Information contained in this correspondence is consistent with that in our August 1996 report in which the Department was given an opportunity to provide comments.

We are sending copies of this letter to the Secretary of Education, appropriate congressional committees and Members, and other interested parties.

Please call me at (202) 512-7014 if you or your staff have any questions regarding this correspondence. Major contributors include Joseph J. Eglin, Jr., Assistant Director; Charles M. Novak; Benjamin P. Pfeiffer; and Charles H. Shervey.

Sincerely yours,

CARLOTTA C. JOYNER,
Director, Education and
Employment Issues.

Enclosures.

TUITION AT 4-YEAR PUBLIC COLLEGES COMPARED TO MEDIAN HOUSEHOLD INCOMES

State	Average tuition in 1995–96 ¹	Median household income in 1994 ²	Tuition as a percent of income ³	State rankings		
				Tuition	Income	Tuition as a percent of income ³
Alabama	\$2,234	\$27,196	8.21	20	43	24
Alaska	2,502	45,367	5.52	25	1	5
Arizona	1,943	31,293	6.21	9	30	10
Arkansas	2,062	25,565	8.07	14	48	21
California	2,918	35,331	8.26	30	14	25
Colorado	2,458	37,833	6.50	24	7	12
Connecticut	3,828	41,097	9.31	43	4	33
Delaware	3,962	35,873	11.04	45	9	43
Florida	1,790	29,294	6.11	5	37	9
Georgia	2,076	31,467	6.60	15	28	13
Hawaii	1,524	42,255	3.61	1	3	1
Idaho	1,714	31,536	5.44	3	27	4

²As we pointed out in our August report, however, Hawaii's schools may not have the lowest tuition level in school year 1996–97. The state approved an 84.6-percent increase for in-state undergraduate tuition at the University of Hawaii's Manoa campus.

TUITION AT 4-YEAR PUBLIC COLLEGES COMPARED TO MEDIAN HOUSEHOLD INCOMES—Continued

State	Average tuition in 1995–96 ¹	Median household income in 1994 ²	Tuition as a percent of income ³	State rankings		
				Tuition	Income	Tuition as a percent of income ³
Illinois	3,388	35,081	9.66	36	17	35
Indiana	3,040	27,858	10.91	32	41	42
Iowa	2,565	33,079	7.75	28	21	19
Kansas	2,110	28,322	7.45	16	39	18
Kentucky	2,160	26,595	8.12	18	46	22
Louisiana	2,139	25,676	8.33	17	47	26
Maine	3,562	30,316	11.75	37	32	47
Maryland	3,572	39,198	9.11	38	6	31
Massachusetts	4,178	40,500	10.31	47	5	38
Michigan	3,789	35,284	10.74	42	15	41
Minnesota	3,108	33,644	9.24	34	18	32
Mississippi	2,443	25,400	9.62	23	49	34
Missouri	3,007	30,190	9.96	31	33	36
Montana	2,346	27,631	8.49	22	42	28
Nebraska	2,294	31,794	7.22	21	26	16
Nevada	1,830	35,871	5.10	6	10	2
New Hampshire	4,537	35,245	12.87	48	16	48
New Jersey	3,848	42,280	9.10	44	2	30
New Mexico	1,938	26,905	7.20	8	45	15
New York	3,697	31,899	11.59	41	24	46
North Carolina	1,622	30,114	5.39	2	34	3
North Dakota	2,211	28,278	7.82	19	40	20
Ohio	3,664	31,855	11.50	40	25	45
Oklahoma	1,741	26,991	6.45	4	44	11
Oregon	3,241	31,453	10.30	35	29	37
Pennsylvania	4,693	32,066	14.64	49	22	49
Rhode Island	3,619	31,928	11.33	39	23	44
South Carolina	3,103	29,846	10.40	33	35	39
South Dakota	2,549	29,733	8.57	26	36	29
Tennessee	2,001	28,639	6.99	11	38	14
Texas	1,832	30,755	5.96	7	31	7
Utah	2,007	35,716	5.62	13	12	6
Vermont	5,521	35,802	15.42	50	11	50
Virginia	3,965	37,647	10.53	46	8	40
Washington	2,726	33,533	8.13	29	19	23
West Virginia	1,992	23,564	8.45	10	50	27
Wisconsin	2,555	35,388	7.22	27	13	17
Wyoming	2,005	33,140	6.05	12	20	8
Nationwide	2,865	32,264	8.88			

¹Average full-time, in-state undergraduate tuition and related fees at 4-year state colleges and universities weighted by the estimated number of full-time, in-state undergraduates at each institution. We obtained these data from the Department of Education's Integrated Postsecondary Education Data System surveys.

²This is the latest year for which median household income data were available. We obtained median household income data from the U.S. Bureau of the Census.

³The average tuition for in-state undergraduate students of 4-year public colleges and universities for school year 1995–96 in each state, divided by the state's median household income for calendar year 1994, the latest year for which such income data were available.

Ms. MOSELEY-BRAUN. It is a very important study. It suggests that we need to begin to take up this issue and examine the cause of the exploding cost of college tuition so we can make cogent policy in this area. I feel confident that we have the ability, and certainly we have the will, to begin to address this question so that college is as accessible for this generation of Americans as it was for every Member of this body. I encourage my colleagues to examine the work done by the General Accounting Office. I thank the General Accounting Office for its investigation in this area and for its work in this area. I believe that it will provide the foundation for a very important debate in our country.

Mr. KENNEDY. Will the Senator yield for a question?

Ms. MOSELEY-BRAUN. Yes.

Mr. KENNEDY. I commend the Senator from Illinois for her excellent statement. I think all of us understand that she has been a leader here in the Senate in pointing out not only the issues of quality that are so important in schools, but also the issue of physical facilities. She understands that if you have a dilapidated building with poor support facilities inside the building, it creates a climate that makes it much more difficult for children to learn.

In my own State of Massachusetts, this is the case. We are one of the oldest States, and many of our schools are also quite old. Too often, our schools, both in the inner cities and in other areas, have deteriorated over the years. She has been a strong leader in challenging the Senate to make progress in this area and has challenged the President to take the initiative in this area. This is going to make a great deal of difference for students.

And now, this report on rising costs of higher education is an important contribution. Like the Senator from Illinois, I am strongly committed to creating a package for young people of talent and ability, so that they have access to whatever they need—schools, 4-year colleges, community colleges, State colleges, or whatever it might be. They must be able to patch together different kinds of programs so they can go on to college.

Tuition costs are a problem not just in private colleges and universities, but at public colleges as well. In my own State of Massachusetts this is certainly the case. In tuition as a percentage of family income, Massachusetts ranks 38th in the Nation, making it one of the more expensive States for families who want to help their children obtain a quality college education.

So the cost of higher education is a key issue. As the Senator understands very well, today those decisions are often made based on the size of the pocketbook or wallet rather than the young person's abilities. It is important for us to ensure student access to higher education, and to look at the core reasons why these costs have gone up so much. Too often in the past, we have not watched that as closely as we should have.

I think the Senator strengthens all of us who believe that education should be a major priority for this Nation. It leads to good employment, it is essential in training our doctors, scientists, and engineers, and it is key in so many areas of public policy. She reminded us of this by requesting this GAO study about the costs of higher education. It is helpful to all of us, not only in the Congress, but also in States and local communities, to understand this issue. I think it is a very important study, and we should build on it in the next Congress. It is timely and I think it can have an important impact as we begin to address needs in higher education.

I commend the Senator for her continued interest in education. As someone who serves on the Education Committee, I have observed firsthand her very strong commitment in elementary, secondary, and higher education. I commend her for her initiatives and for her excellent statement.

Ms. MOSELEY-BRAUN. Thank you. Madam President, I thank the Senator from Massachusetts. The Senator from Massachusetts is being modest. He not

only serves on the Education Committee, but is the leader on that committee on the issues pertaining to educational opportunity for our young people. I thank him for his kind, complimentary remarks.

I also thank him for pointing out how these issues link together. We just finished doing a television program about rebuilding our Nation's crumbling schools. The Senator is right. Fully a third of the schools across this country are in dilapidated condition and need extensive repair or replacement. The previous GAO study found this was a condition that expresses itself in all regions of the country and in all communities. In inner-city communities, 38 percent of the schools are crumbling; in suburban communities, 29 percent are crumbling; in rural communities, it is 30 percent. This is something that happens in cities, suburbs, and rural communities. That is a real challenge for us, because our children cannot learn if their schools are falling down. The report makes it clear that we are failing to live up to our responsibility as a generation to provide the generation of Americans coming into the school systems now with an environment in which learning can take place, and with the support that they will need to be competitive in the global economy.

So looking at these issues, the General Accounting Office has been just wonderfully helpful because their studies give us the kind of intellectual and demographic base, if you will, because they have gone and actually counted and done the research and the surveys to find out what the true facts are in this area. So it is not just a matter of looking at what do we see when we drive past a school, but rather having actual documentation of what is going on with regard to crumbling schools all over the Nation.

This last report on college tuition is really fascinating. I, again, encourage my colleagues to look at it, or anyone else who would like to. It is available from the General Accounting Office. A 234-percent increase in college tuition is stunning. Even medical care costs, which we have been talking about, rose about 182 percent. So this is outpacing even the increase in medical care costs. So it is very clear that families are having a difficult time coping with this. State support for higher education is declining at the same time costs to colleges are going up. The result is that young people are having a harder and harder time accessing higher educational opportunities.

We have asked the Department of Education, as of yesterday, to make available information on scholarships and information on tuition on the World Wide Web, so that people can access that information through the Internet. It can be more accessible, and they can do the kind of shopping that may be particularly necessary given the escalating cost of higher education. Certainly, we have to get to the bot-

tom of this and to the heart of this problem to find out what the reasons are. Why is the tuition going up so high and so quickly? What can we do to ameliorate the impact on working and middle-class families?

I commend all of my colleagues who share a concern for education and these issues. I think nothing short of our Nation's national defense is at stake here. We will not be able to be competitive in this 21st century global economy, in an information age, unless we provide our young people with an opportunity to have the highest level of skills in the world. It is that challenge that compels us today.

Again, I thank my colleague.

Mr. KENNEDY. If the Senator will yield for one other point. Would she not agree that unless we are able to get a handle on escalating education costs, it is going to be very difficult to convince taxpayers to provide more support for education, if providing more will not lead to greater opportunity for the young people? For those of us that are strongly committed to expanding opportunities, if we see that what we do here does not work, it makes the task much harder.

There are those who might say, "If we provide more resources, they will just get swallowed up in tuition increases." That charge must be answered, and answered effectively. I think the work done on this committee and the report by the GAO should be helpful.

Finally, I think the report that the Senator commissioned on the dilapidation of elementary and secondary schools creatively points out ways of obtaining scarce resources at the State and local level.

Rehabilitating schools is a complex and difficult challenge. We at the Federal level are not going to be able to resolve all of these problems, but commitment at all levels is required, and I hope we will be able to deal with these issues in much greater detail in the next Congress.

As I say, I am grateful to the Senator for her continued interest and very constructive work in this area.

Ms. MOSELEY-BRAUN. Madam President, I thank the Senator, my friend and colleague, from Massachusetts.

Again, the first report, "Profiles of School Condition by State" is available. Similarly, the new one on college affordability "Tuition Increasing Faster Than Household Income and Public Colleges' Costs" is available.

Again, I couldn't agree more with my colleague when he talks about the qualities because certainly it is going to require the cooperation of educators, of parents, of the kids themselves, and all of us in the National Government—and State and local governments—all are going to have to cooperate and carve out our respective responsibilities, our respective niche, if you will, in addressing these issues. The educators are going to have to ad-

dress the equality issues and whether or not youngsters are getting the kind of quality education and skills they will need for this 21st century.

We at the national level have to address the Federal support for education all the way through. The State and local governments may want to take a look at better ways to fund our schools so that they are not scaling down so that the opportunity is available.

I look very much forward to working with my colleague from Massachusetts and the committee with as much compassion as it takes. Hopefully we can come up with, again, some cogent policy responses guided by the facts as produced by the General Accounting Office.

I thank the Chair. I thank the Senator from Alaska.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that I be permitted to speak for 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2098 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE LEGACY OF BITA LEE

Mr. DOMENICI. Madam President, I rise today to congratulate a woman from my home State of New Mexico who will be honored on November 1, 1996, by being inducted into the National Cowgirl Hall of Fame.

Harriet Frances Lee, better known as Bita, hails from the small town of San Mateo, NM. Raised on a sheep and cattle ranch, Bita embodied the spirit of the West. Sheep, cattle, and hard work were all a part of Bita's daily life. She, her twin brother Harry, and her mother and father, Floyd and Frances, all worked side-by-side creating and maintaining the American dream.

Most people only know the old West through Hollywood movies, Louis L'Amour books, and history lessons. Many times, however, Hollywood, books, and history lessons forget to mention the cowgirls. Women like Bita have always been a part of the rich fabric of my State and other States in the West. The National Cowgirl Hall of Fame and Western Heritage Center's mission is to ensure that the West, its women, and their heritage are remembered.

The women of the West did not just take care of home and hearth. These women rode horses, sheared sheep, roped steers, managed books, and worked day-to-day with the earth. The National Cowgirl Hall of Fame and Heritage Center holds the memories of