

[Rollcall Vote No. 97 Leg.]

YEAS—69

Akaka	Durbin	Lieberman
Allard	Edwards	Lincoln
Baucus	Ensign	Lott
Bayh	Enzi	Lugar
Bennett	Feinstein	McCain
Biden	Fitzgerald	McConnell
Bingaman	Frist	Miller
Bond	Graham	Murray
Boxer	Gramm	Nelson (FL)
Breaux	Grassley	Nelson (NE)
Brownback	Gregg	Nickles
Campbell	Hagel	Reid
Cantwell	Harkin	Roberts
Carper	Hatch	Santorum
Chafee	Hutchison	Smith (NH)
Cleland	Inhofe	Smith (OR)
Clinton	Jeffords	Specter
Cochran	Johnson	Stabenow
Collins	Kerry	Stevens
Conrad	Kohl	Thomas
Crapo	Kyl	Thompson
Daschle	Landrieu	Voinovich
DeWine	Leahy	Wyden

NAYS—21

Allen	Hollings	Sarbanes
Bunning	Inouye	Sessions
Burns	Kennedy	Shelby
Byrd	Levin	Snowe
Dayton	Mikulski	Thurmond
Dorgan	Reed	Warner
Feingold	Rockefeller	Wellstone

NOT VOTING—10

Carnahan	Domenici	Schumer
Corzine	Helms	Torricelli
Craig	Hutchinson	
Dodd	Murkowski	

The PRESIDING OFFICER. On this vote, the yeas are 69, the nays are 21. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The Senator from Massachusetts.

STUDENT LOAN PROGRAM

Mr. KENNEDY. Mr. President, I am sure that when all of our colleagues travel back to their States and meet with parents and families, they are being asked about the increased cost of tuition at the universities and colleges across the country.

I know that is true in my own State of Massachusetts. The average fees at the University of Massachusetts, one of our fine universities, are going up in excess of \$1,000 for this next year.

Quite frankly, in my part of the country, families are really concerned about the economic conditions. I know the economic indicators, the GDP indicators, are showing some improvement. Clearly, the unemployment figures are not reflecting the real situations of many Americans in many parts of the Nation. So many Americans are facing lay-offs and those that are finding new jobs are often taking pay cuts. As many states cut their higher education budgets, people are wondering how they are going to afford the increases in tuition.

Many of those attending school and recent graduates were very perplexed to read the story in the New York Times over the weekend that says: "Bush seeking to squeeze school loan program."

The student loan programs offer low-interest loans to full-time students. These programs are available to low

and middle-income families. I have an AP story that says:

The White House has suggested \$5.2 billion savings from Federal student loan programs. The White House Budget Director Mitch Daniels proposed the savings to the House Speaker DENNIS HASTERT last week. Among Daniels's proposed savings is to require college students and graduates who wish to consolidate their Government-backed education loans to use variable interest rates, a change from the current program.

I want to share with the Senate what has happened in my own State, and it is replicated across the country. Just last year, we had some 36,000 families consolidate their loans, taking advantage of the lower fixed interest rates. It amounts to \$1 billion. The average loan in my State is \$29,000. Let me be very clear, Mr. President. If the proposal that is reported in the New York Times goes into effect, it will mean \$3,000 more for every \$10,000 a person owes to the guaranteed loan program—\$3,000; \$10,000 over a 30-year period. That is \$10,000 additional over a 10-year period if that student owes \$30,000.

In my State of Massachusetts, the average consolidated loan is \$29,000. To do what? According to Mr. Daniels, for the next year, it will mean \$1.3 billion in savings to the administration evidently so they can use it for the tax cut program for wealthy individuals. Talk about a financial transfer. This administration is going to balance its books at the expense of students. They are talking about \$1.3 billion from students and middle-income families who will have to pay a variable rate on consolidated loans, instead of taking advantage of the lower fixed interest rates at the present time. This is an effort to effectively fix the system so that students and their families will pay more so this administration can afford more in tax cuts.

Families pay what they can afford in tuition for their children to go to school, and depend on the federal loan programs for the remainder of the tuition. When it comes time to help repay those student loans, they will have to pay higher interest rates, and they ask why. Hard working families should get the best deal on interest rate that is available.

The New York Times article goes on:

"The Bush administration is seeking to ease its budget by squeezing \$1.3 billion from the Federal student loan program," administration and congressional officials say today.

Whether it is the \$1.3 billion as in the New York Times or the \$5 billion, what they are basically saying is the students and middle-income families are going to have to pay a good deal more rather than taking advantage of the lowest interest rates.

That is poor education policy. It is grossly unfair to middle-income families, and it is clearly not in the national interest. Our national interest ought to be to encourage the best and the brightest to complete their education, to be involved in the communities of this country, and contribute to our Nation's democratic values and its economic values.

How can the administration make that kind of request to the Congress? Mr. President, I just want to make it very clear, as far as our committee goes, I can say without fear of any contradiction, this suggestion will not pass.

The last time we faced this type of proposal was in 1981 under President Reagan who suggested an origination fee which was an additional burden on students and their families who were taking out student loans. We were unsuccessful in stopping that fee, and I believe we will succeed in rejecting the elimination of the fixed rate consolidation loans. But I tell my colleagues, how in the world can you believe this administration is putting education first when it is trying to shortchange the students of this country in an unfair and, I think, unwise way?

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

Mr. KENNEDY. I will be glad to yield.

Mr. SARBANES. I must say, when I saw that article, the first thing I thought to myself was: They must have figured out some sort of unique way to achieve some savings in the college loan program which will not affect the beneficiaries of the program. It never occurred to me until I read the article, to which the Senator has referred, that they were intending to take this money right out of the hide of the beneficiaries.

As I understand it, we have had this program where people can consolidate their loans and lock them into place with a fixed interest rate. That has helped, as I understand it, to significantly reduce the default rate on college loans, if I am not mistaken.

I think 10 years ago we had a default rate at about 22 percent, and now we have cut that rate to, what, about 5 percent?

Mr. KENNEDY. Five point six percent.

Mr. SARBANES. Five point six percent.

Mr. KENNEDY. Under the Clinton administration.

Mr. SARBANES. That is one of the benefits of providing a rational framework for students and their families to address these college loans.

First of all, we have to understand these students are taking on a tremendous burden as they move through college in order to get a college education. There are many people who argue we are not doing enough to help lift that burden. But the notion that we should now add to it in this significant manner that the head of the OMB is talking about I find outrageous.

How are these people going to afford this college education?

We have set up a system which seems to be working pretty well. If anything, we ought to provide more assistance, not less. I certainly commend the Senator for taking to the floor to underscore this problem. I gather they want

to try to do it in the supplemental appropriations bill, with very little consideration of its impact or an opportunity to affect what is happening.

Mr. KENNEDY. The State PIRGs have completed an interesting study. It is an independent evaluation on higher education student loan debt. Their estimate on the cost to borrowers of switching from a fixed rate to a variable rate consolidation loan—this is their estimate, not mine—for an average graduate with \$16,000 in college debt would have a \$2,800 increase over the next 10 years and \$6,300 if they chose to spread their payments over 20 years. If one has \$16,000 they would pay an additional \$2,800—the average loan is \$29,000 in my State. Do you understand that? Mr. President, \$16,000 is just about the national average loan. This is not my estimate, this is the estimate of the highly regarded and respected national group the Public Interest Research Group.

I do not know how many people are consolidating loans in the State of Maryland and the State of Illinois, but I do not think that higher rates are what these families deserve. They deserve the best possible low interest rates. They are uncertain about their economic future. They are planning their life. They have every right to consolidate at the lowest interest rates, and now the administration is attempting to force them to pay the rate at the time that they originate their loans.

Mr. DURBIN. Will the Senator yield?

Mr. KENNEDY. I will be glad to yield.

Mr. DURBIN. I thank the Senator for raising this issue, and I thank the Senator from Maryland for joining us. Roughly two out of three college graduates today leave college with a debt. The average debt across the United States for all college students is \$16,000. That is a pretty substantial sum of money for somebody starting out to get their first job out of college.

Mr. SARBANES. Age 21, I might add, or 22, and they are already walking out, after getting their education, with a \$16,000 average debt. A lot of them, as the Senator points out, have more.

Mr. DURBIN. I might say to the Senator from Massachusetts, the experience in Illinois is the same as in his State. Our average student loan, as consolidated under this program, is \$30,000. What the Senator from Massachusetts tells us is that President Bush's administration has suggested adding \$10,000 in cost to pay back that student loan.

So one might say to themselves, this must be some national emergency that would lead us to the point where we would take a young college graduate and say we are going to eliminate a program and heap on another \$10,000 in debt for them to pay off. The national emergency appears to be making permanent the President's tax cut program.

We did a little analysis on this program recently, and I think the Senator

from Massachusetts is aware that 65 percent of President Bush's tax cut goes to people making over \$500,000 a year. So think about this for a second. The new college graduate coming out with a debt, in my State, of an average \$29,000, just got a \$10,000 bill to collect money, to do what? To give to the average person making over \$500,000 a year a \$39,000-a-year tax break.

What is wrong with this picture? Why are we not helping the young men and women who are going to lead this Nation with their education to take the kind of jobs that they need?

I know the Senators from Maryland and Massachusetts know the situation where so many young graduates want to go into teaching, for example, and they look at their student loans and say: This is impossible. I cannot make enough money as a teacher.

The Bush administration proposal would make their debt larger. For what? To give a tax break, two-thirds of which goes to people making over \$500,000 a year. This is totally upside down.

The student loan obligations for students across America have doubled within the last 8 years. They are likely to go up in the future. The Bush administration proposal, I am afraid, is going to make it even more difficult for our sons and daughters and grandsons and granddaughters to pursue a higher education.

Mr. KENNEDY. May I add one point? I would be interested in my friend's reaction to this. If someone is receiving a Pell grant, the average family income for a Pell grant student is \$17,000. These are gifted, talented individuals who could qualify for any of our greatest universities. Their family income is under \$17,000, and the Pell grant is available to them. Reading from the Public Interest Research Group's analysis, even worse off are the students who depend on the Pell grants to finance their education. This would cost the typical Pell grant borrower \$3,100, almost a thousand dollars more because since they are lower income, they have to pay—at the start they are paying higher rates.

So we are talking about students who are gifted and talented, who have every kind of asset except a large wallet or pocketbook, who have a great deal to contribute to our Nation, and whose family income is less than \$17,000, people who are going ahead and working. Sixty-three percent of the students in this country now who are on scholarship work 25 hours a week or more. That is extraordinary.

We wonder why the students are not talking about books and education; they are talking about their debts and their obligations. Well, I am wondering, if my two friends would not agree, when families of limited income, even though their children have the academic gifts and talents to go on to education, are going to be forced to say: No, count me out; I will just go on, wait on tables, I will park cars, because

I am not going to put my family through that kind of indebtedness. That is the message that will go out with this proposal.

Mr. DURBIN. Asking the Senator to further yield, I will share with him this statistic: 39 percent of college students now graduate with debt loads that are termed unmanageable, meaning their monthly payments are more than 8 percent of their monthly incomes.

With this Bush administration change putting more debt on these students, it becomes impossible for them to deal with this.

Mr. KENNEDY. But the Republican response to that is these students are going to become lawyers and doctors so they will be able to afford it. Would not both my colleagues agree, we have a shortage of 2 million schoolteachers in this country? What we are talking about is schoolteachers. We are talking about social workers who we are trying to help. We are talking about those who would be childcare providers. We are talking about police officials and nurses. These are the ones who are entering low wage professions, trying to make it and to be responsible and pay off their debt. They are the ones who are going to find education virtually priced out.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. SARBANES. The fact is that no other advanced country places as much of the burden of obtaining a college education on the individual student and the family as we do. We in the Congress have been trying to ease that burden through a combination of grants and loans, although we have been shifting from grants to loans increasingly over the years. Other countries do not do the same thing. Why not? Because they recognize the society and the nation benefit from developing the talents and the capacities of their young men and women; that it is not only the individual who gets the benefit but society gets a benefit from educating these people.

As my colleague from Illinois pointed out, if they walk out of college with this huge burden on their back, then obviously they are motivated to go to lucrative professions in order to pay off the debt.

I have talked to young people who have said: I really would like to teach but I cannot afford to teach because I have this debt burden that I have to pay off. Therefore, they are looking to go into some profession where they can make a lot of money. They are lost to the teaching profession.

Now that we have a system in place, we knock out one aspect. My understanding is the consolidation of loans has been in effect since the Reagan years. I understand it first went into place in 1986, the consolidation of loans. It makes good sense. We are always telling people they ought to consolidate their loans and we put it into place. Now we are taking away from

people another support to try to help with higher education.

Mr. KENNEDY. The Senator is quite correct. There is a very interesting statistic for those who enter medical school. 85 percent of medical students want to become general practitioners. They care about patients and want to be there on the front line treating the families of America. However, they end up borrowing so much to pay for their school costs that they need to enter specialization because of the salary differences at the very time we need more general practitioners.

I draw the attention of my colleagues to the chart and what has happened with grants and loans. My colleagues remember the great debates held on providing greater access to higher education for all Americans, those national debates go back to 1960. President Kennedy believed the size of your pocketbook should not determine what university a student attends, only your qualifications should determine where you could attend school. Grants, some loans, work-study programs, summer employment should add up to the cost of your tuition and fees. All of those match together in an economic package so a student can successfully go to the school of their choice.

I was in the Education Committee when Secretary Bennett said: Too bad. Those families can go where the loans will take them. That is our view of this Republican administration. That is the attitude. We do not want to limit opportunity. I know where that is in the RECORD.

We have seen the buying power of grants fail to keep up with the costs of college. The neediest children are forced to take out loans. Now we find at a time when these young students and graduates are trying to take advantage of refinancing their loans, we are hearing the administration saying: No, we need another \$1.3 billion for our tax program so we are going to force students to wait and see what the interest rate will be every year instead of locking in at a fixed rate. That is regrettable.

I draw another chart to the attention of my colleagues. This is a women's issue. Education is one way that we can help women close the earnings gap. When you deny women the opportunities to continue education, you continue a perpetuation of the notable disparity taking place. Women, like their male counterparts, increase their earnings when they increase their education.

Once you put the economic binds by effectively denying people the ability to discharge debt, this will work against women students. We see it already. We will see it even grow over the period of time.

Mr. DURBIN. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. DURBIN. The Senator was part of an effort that many joined with President Bush: Leave no child behind. The idea was to improve the quality of

education across America, to make certain, with accountability, that schools were graduating students who had the basic wherewithal to succeed in society.

One of the linchpins was to improve teachers in the classroom.

I would like the Senator from Massachusetts to tell me if I recall this correctly. Are we moving through President Bush's bill to a point where more and more teachers have to be certified in that they are going to teach in schools? In other words, you cannot be the gym teacher who says, I will teach biology. You have to stand in front of the classroom with students.

We are passing bills saying, teachers, we want you to stay in school, get more advanced degrees, and be more valuable in the marketplace but come back to the classroom. And now the Bush administration, months later, comes in and increases the cost of education for those who aspire to be those quality teachers. There is a disconnect.

Mr. KENNEDY. The Senator is absolutely correct. It is a powerful, powerful argument. We are trying to make sure we are going to have a well-qualified teacher in every classroom. More and more young people who are entering teaching are saddled with enormous debt burden. As a national objective, have a well-qualified teacher in every classroom. How can these young professionals afford to pay off their loans when we know that too many teachers are underpaid.

And the Senator quite rightly points out that will require tens of thousands, hundreds of thousands, of teachers to get certification and to go back to universities and colleges, community colleges, to get these certifications.

This kind of activity is going to make it that much more expensive, that much more of a disincentive to go into teaching. That is enormously important and significant. I thank my colleague for bringing this critical fact to the floor.

I see my friend from Rhode Island who has been such a leader in education, and follows a very proud tradition in his state. We give fair notice to the administration that we are going to do everything we possibly can legislatively do to make sure this does not take place. We want to keep as many low-cost options for borrowers as possible to make sure that more people are getting college degrees. We will have more to say about this in the very near future.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KENNEDY). Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. DURBIN. I thank the Chair.

(The remarks of Mr. DURBIN pertaining to the introduction of S. 2393 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to a period of morning business, with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

ORDER OF PROCEDURE

Mr. REID. Mr. President, I also ask unanimous consent that the time we are in morning business be charged against the 30 hours postcloture on the matter now before the Senate.

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

RECOGNIZING THE UNIVERSITY MEDICAL CENTER VOLUNTEERS IN LAS VEGAS, NEVADA

Mr. REID. Mr. President, as we celebrate National Volunteer Week I would like to recognize the 300 volunteers at the University Medical Center in Las Vegas, NV who are committed to providing young Nevadans with more promising futures.

As a group, U.M.C.'s 300 volunteers donated 49,700 hours of time in 2001. Their contribution of volunteer time and talent has enormously improved the efficiency and effectiveness of University Medical Center. Through their efforts, these volunteers have helped build a better community. The programs that they have participated in include U.M.C.'s Medical Explorer Program, the Volunteer Youth Corps, the "Pal" program of Las Vegas High School, and the "Medical Magnet Program of Rancho High School, all of which have positively impacted the youth of Nevada.

In addition, for almost 40 years U.M.C. Auxiliary, a group chartered by the Clark County Board of Trustees, has volunteered and raised millions of dollars for the discretionary use of the hospital including the purchase of needed medical equipment. Having recently been challenged to raise even more money for the hospital, the Auxiliary presented a donation of \$300,000 to the Clark County Board of Trustees on April 16.